
United
We Sit!



The
Savings Movement
Guidebook

Bharath Gyan Vigyan Samithi

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The Savings Movement Guidebook

Authored by:
Mahalir Association for
Literacy, Awareness and Rights
and
Centre for Ecology and Rural Development

Bharath Gyan Vigyan Samithi

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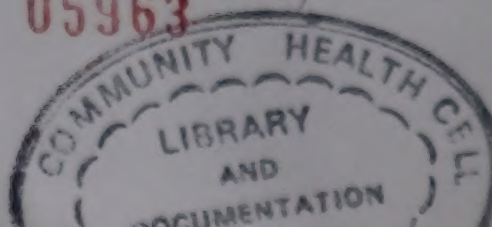
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Preface

Today, we are becoming increasingly conscious of living in a blatantly consumerist and market-driven society. People's control over resources and access to livelihood sustenance has become very fragile as a consequence of the forces of globalization. We are also living at a time when the violence bred by the dangerous divisive forces of casteism and religion is threatening to destroy the social and cultural fabric of the country. As always the most vulnerable section of our society - women from socially and economically deprived backgrounds - stand to lose the most.

The mobilization and organization of women to secure their participation in the struggle for social change is therefore, the need of the hour. One strategy to mobilize women from the socially and economically most oppressed strata of society is the formation of Self-Help Groups which provide women the opportunity to meet on a regular basis. Drawing inspiration from the experience of SEWA (Gujarat) and the Grameen Bank (Bangladesh), MALAR was established as a federation of Savings groups for women in Kanyakumari district by the Tamilnadu Science Forum. Inspired by MALAR, several districts of Tamilnadu and states like Assam, UP and Himachal have also started forming Savings Groups. This book has been prepared in order to assist their efforts and to expand the activity throughout the country.

Like MALAR, this book is a team effort. A number of people have contributed to it in many different ways. In particular we would like to thank Ms. Shelin Mary, Secretary, MALAR, Ms. Jansili Bai, Joint Secretary, MALAR and Ms. Radha, State Coordinator, Samam for their detailed comments. Without Ms. Kala and Ms. Chellathangam, Office Accounts Staff, MALAR, the accounts portion of this book would never have been completed. We would also like to express our thanks to Prof. Rajamanickam, Prof. Madasamy, Prof. Ramanujam, Mr. Senthamil Selvan, Mr. T. V. Venkateswaran, TNSF State EC Members, Ms. Komal Srivastava, National Coordinator, Samata and Mr. Andrew Marcelin, Indian Bank, for their valuable comments and suggestions. We would like to particularly thank Dr. T. Sundararaman, Chairperson, CERD and Mr. C. E. Karunakaran, Vice-Chairperson, CERD for their insightful comments and discussions. A special thanks is also due to Sandeep Rao for the illustrations, Balaji Sampath for doing the layout, Basheer for the cover page design.

There are 8000 more women who we have to thank. We take this opportunity to thank all the MALAR coordinators and MALAR women for not only providing us material to write about, but also for completely changing the direction of our lives and for giving it the richness that it now has.

We hope you will also find it interesting to read. More importantly, we hope you will be able to use this to start something like MALAR in your area. We wish you all the best in your efforts. We welcome your critical comments.

D. Thomas Franco
K. Kalpana

Preface

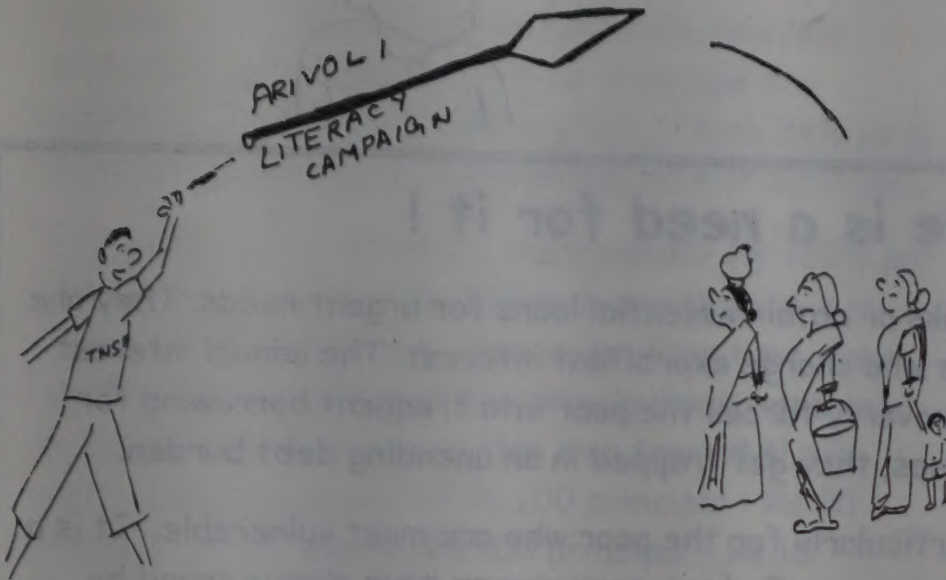
Come children, let me tell
you a story. Once upon a
time, there was the TNSF...



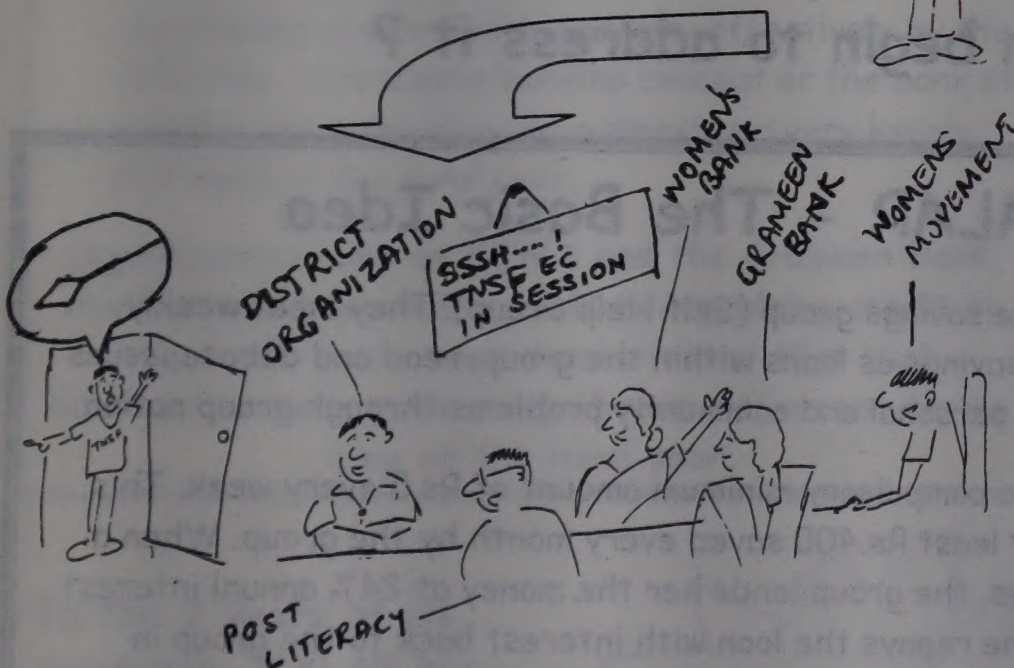
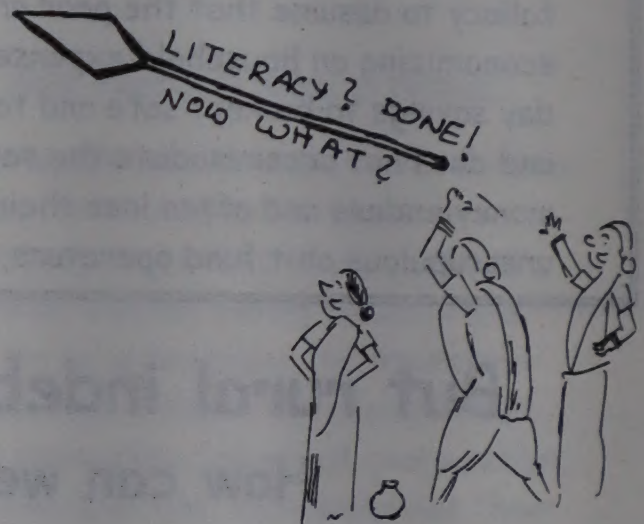
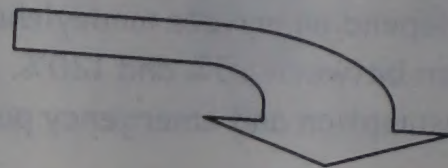
D. Thomas Francis
K. Kojima

The year was 1991. Arivoli was in the air...

1991-95 - The Tamilnadu Science Forum spearheads a mass literacy campaign (Arivoli) in Kanyakumari district. The campaign is very successful and mobilizes more than a lakh learners, but...



1995 - The District Collector suddenly withdraws the programme. The thousands of learners and volunteers feel betrayed. TNSF finds itself pressured to think of alternatives or lose its rural, overwhelmingly female mass base.



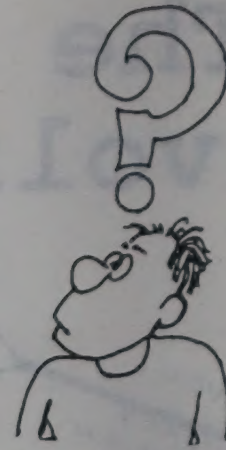
The issues...

- How to continue educating and mobilising people through a structure wholly independent of the government.
- How to sustain and strengthen TNSF's organisational links with the rural poor.

TNSF's answer...

MALAR (Mahalir Association for Literacy, Awareness and Rights)
An ambitious experiment in organising women from poor, rural households through a network of credit cooperatives.

Credit Co-operatives ??? But why ?



Because there is a need for it !

- Today the poor are not able to access banks or obtain essential loans for urgent needs. They are forced to depend on private moneylenders who charge exorbitant interest. The annual interest rate is often between 60% and 120%. As poverty forces the poor into frequent borrowing for various consumption and emergency purposes, they get trapped in an unending debt burden.
- Saving for a rainy day is important and particularly for the poor who are most vulnerable. It is a fallacy to assume that the poor are unable to save. In fact, poor women have always saved by economizing on household expenses. What they lack is a structure which permits their rupee a day savings to be kept safe and to accumulate. The banking system, in its current form, cannot and does not accommodate the savings need of the poor. So, the poor try to save with local moneylenders and often lose their savings. The phenomenon of fly-by-night operators, unscrupulous chit fund operators, have further compounded the problem.

But rural indebtedness is a huge problem !
How can we even begin to address it ?

Maybe we
cannot remove
rural
indebtedness ☹️

But surely, we
can make a
significant
beginning 😊

MALAR - The Basic Idea

20 Women form one savings group (Self Help Group). They meet weekly, save, rotate their savings as loans within the group, read and debate issues and try to address personal and community problems through group action.

Each woman saves a compulsory minimum amount of Rs.5 every week. This means a total of at least Rs.400 saved every month by the group. When a member needs loans, the group lends her the money at 24% annual interest (2% per month). She repays the loan with interest back to the group in equal installments over 10 months.

She can withdraw her savings after 5 years- the minimum compulsory period that she has to be a member. She earns 12% annual interest on her savings after 5 years.

And while waiting for policy changes to re-structure banks, we can certainly think of effective savings and credit alternatives...

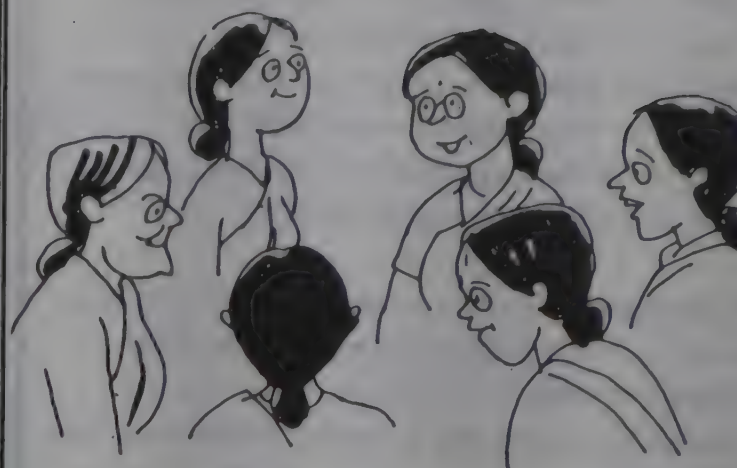
The idea offered seems too simple !

Why will it work ?

Because it addresses the poor woman's needs !

- The easy, non-conditional access to low-interest credit offers women the chance to escape the exploitative informal credit market. (Think 24% pa is a high ? Compare it with prevailing rate of 120% pa).
- A loan of Rs.1000 from the moneylender (@ 120% pa) entails an interest of Rs.100 each month until it is repaid in full, which may take a very long time since most moneylenders want the principal returned only as a lump sum. But, taking this loan from MALAR would mean a payment of Rs.100 principal + Rs.20 interest the 1st month, Rs.100 principal + Rs.18 interest the 2nd month and so on until the 10th month when the interest payable is only Rs.2 and the loan is fully discharged. The total interest is only Rs. 110.
- Social pressure ensures prompt repayment even without collateral. Regular meetings and the neighbourhood base of the group reinforce a sense of group ownership and collective responsibility.
- The need for a safe and convenient savings opportunity is also addressed very effectively by the SHG idea. This mobile banking concept or the bank at people's doorstep thereby addresses a very keenly felt need of the rural poor.

Organisations such as SEWA and the Grameen Bank, which played a pioneering role in organizing credit to reach the poor, have demonstrated that such interventions can make a significant difference to the lives of the rural poor.

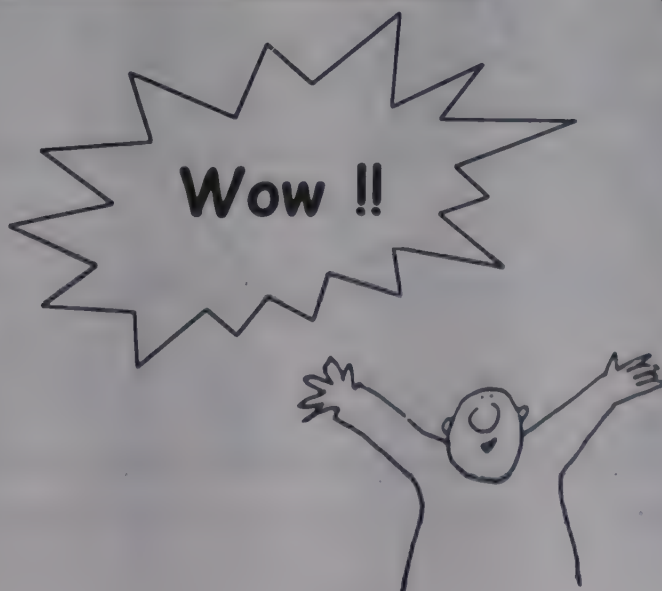


And there is also a bonus...

The regular weekly meetings provide a space for the women to meet together, share their daily joys and sorrows, discuss family issues, read and try to understand the important happenings in the world around them. This generates a spirit of cooperation, and give and take that underlies their mutual relationship outside the group as well. Several instances of collective action by the women to address personal and social problems are a direct outcome of this spirit.

In fact for us, this potential is not a bonus, but the primary reason for our getting into SHGs.

In the 3 years of its existence, MALAR has mobilised 8100 women through 405 savings groups. The women have saved a total of Rs.36 lakhs and lent to the tune of Rs.92 lakhs.



... and the important thing is that this is sustained mobilization - not a one time affair - and it is done without any external funding !!

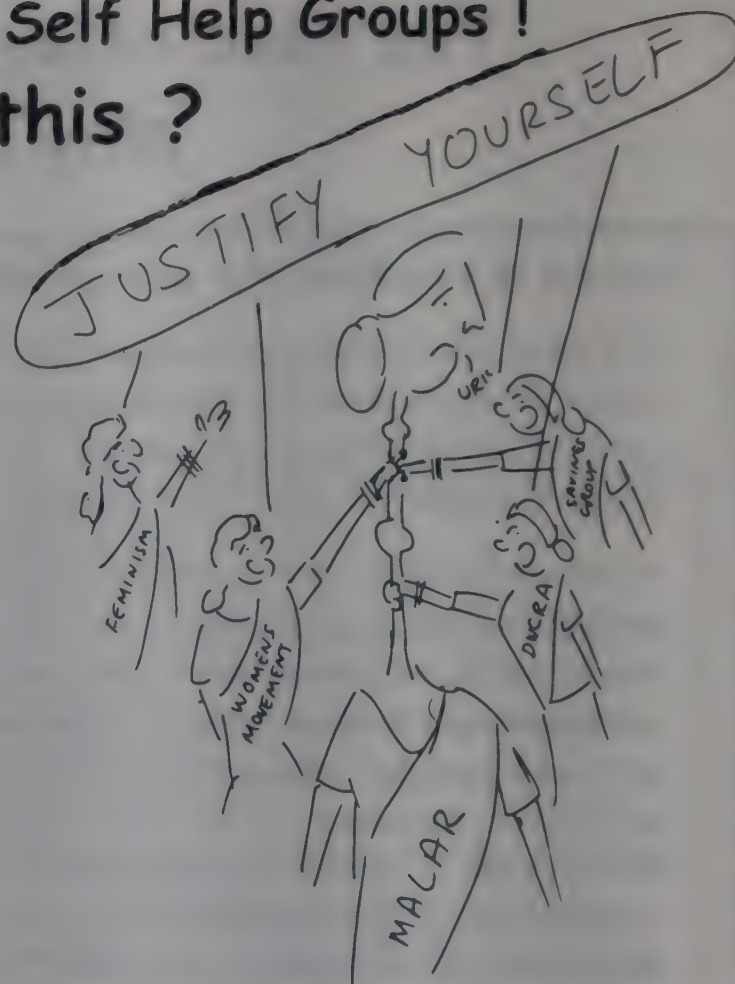
But there are already so many Self Help Groups ! What's new in this ?

MALAR - Much more than just SHGs !

There are SHGs, which see their job as only savings and loans. Yet, others confine themselves to a small target area or population that limits their organizational base and strength. We believe that this reduces the scope and effectiveness of an SHG.

We recognize that an intervention effort like women's credit groups can be used to build a powerful Women's movement, which works towards the social and economic transformation of the nation.

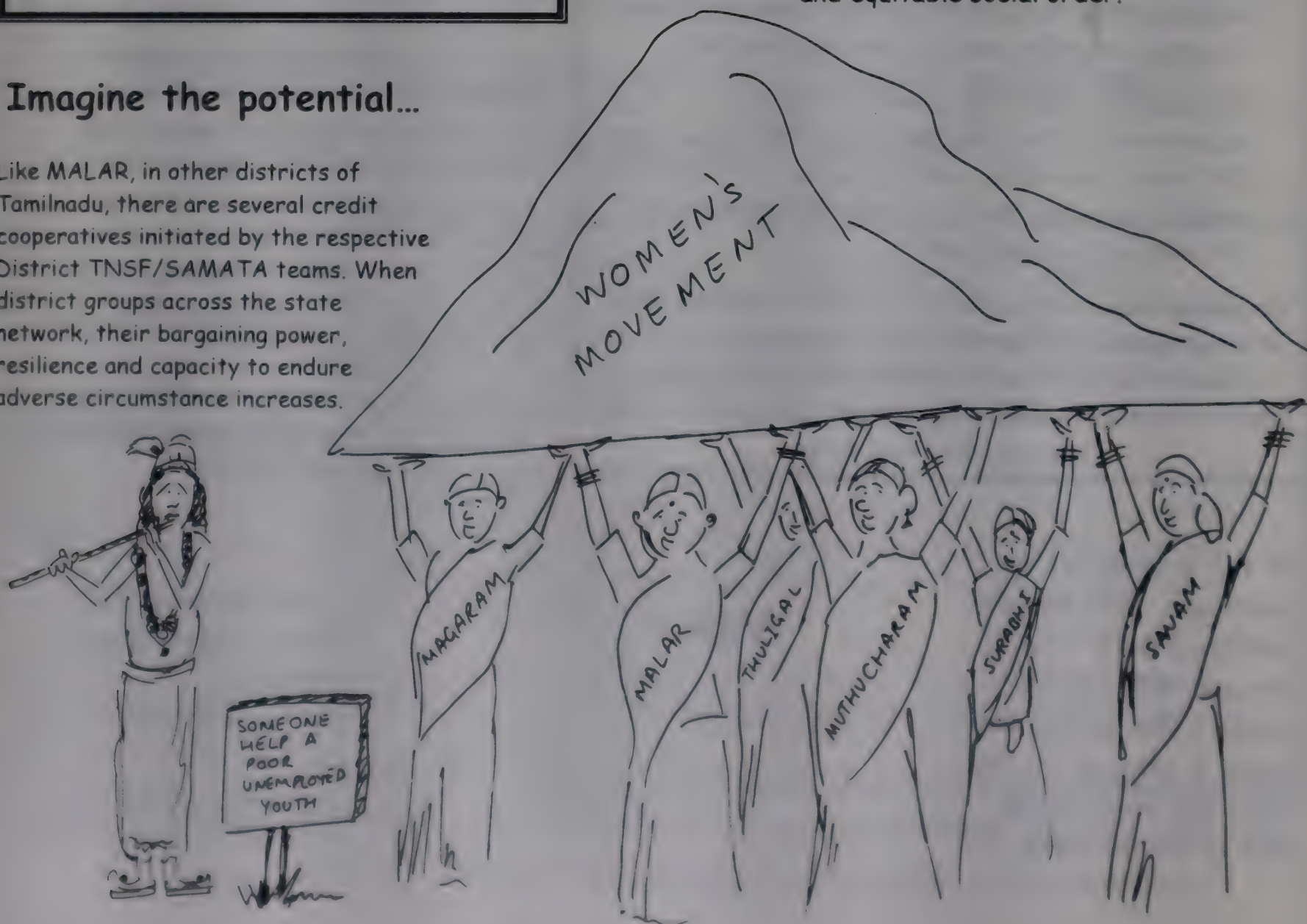
We also see that existing progressive Women's organisations are often unable to plan beyond protests and demonstrations. We aim, however, not at replacing them but at widening their reach through our developmental interventions, which mobilize women on a large scale, and in a sustained manner.



MALAR's mission is to help women achieve economic independence and to empower them to become agents of social change in the struggles for a just and equitable social order.

Imagine the potential...

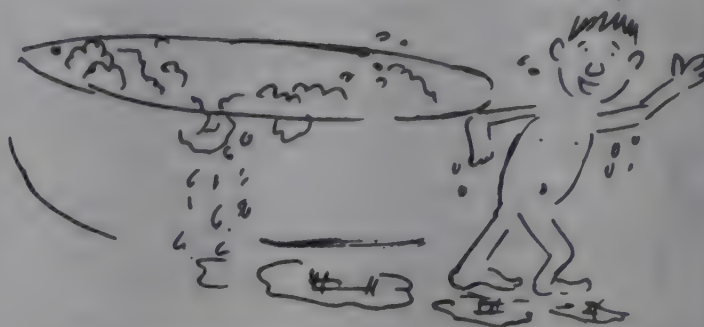
Like MALAR, in other districts of Tamilnadu, there are several credit cooperatives initiated by the respective District TNSF/SAMATA teams. When district groups across the state network, their bargaining power, resilience and capacity to endure adverse circumstance increases.



MALAR Highlights

- MALAR is an entirely self-reliant movement. No donations, no grants, no government assistance, no foreign aid - nothing.
- Our groups hold regular weekly meetings, which stimulate reading, discussion and community action.
- All decisions are taken by the groups and not imposed from above. This, and the open, transparent functioning style strengthens the democratic atmosphere.
- The bank account is opened in the name of the group and managed exclusively by group members.
- We consciously ensure that all the savings groups are networked together by the unique concept of a District Level Savings Group of Savings Groups. Each SHG saves Rs.50/month as reserve fund at the district, which is then circulated to the groups as district loans.
- The networking of all the savings groups is further emphasized through joint district level schemes like pension and death relief schemes and by organizing training programs and annual conferences.

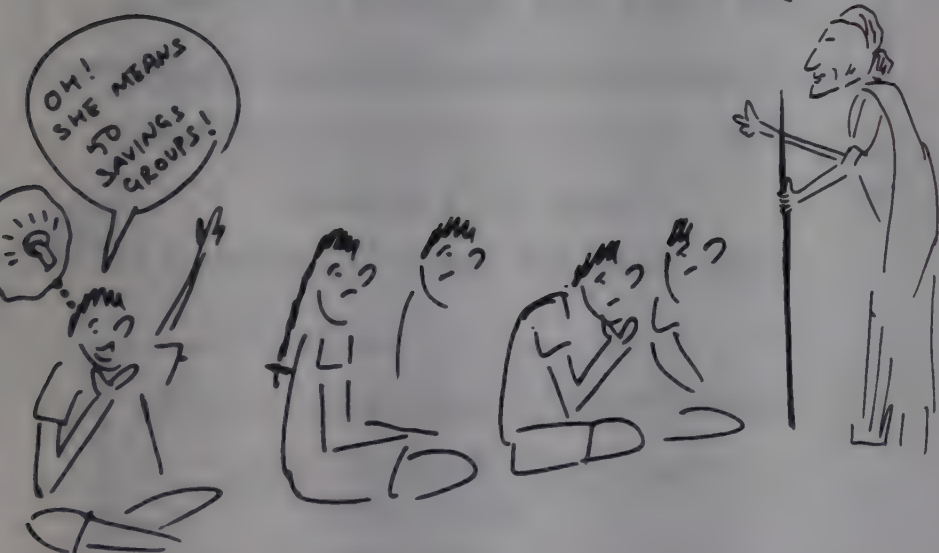
Hey! This is impressive!
I want to start something
similar in my state. What will I
need?



You mean apart
from clothes?



YOU START LIFE AT 50, IF
YOU WANT TO LIVE AS
LONG AS ME



A pre-requisite for starting up...

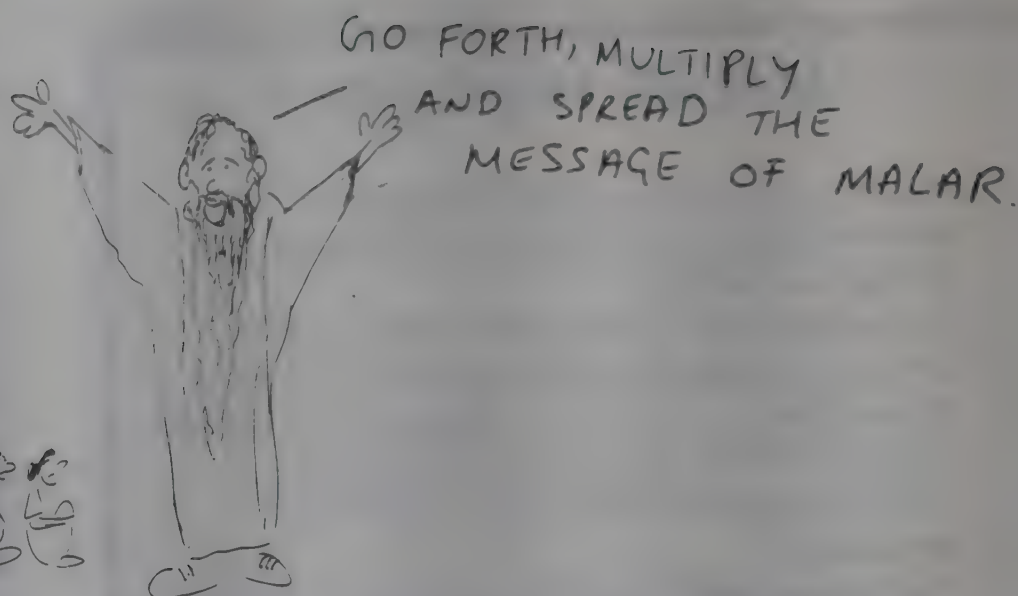
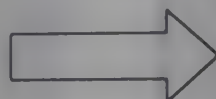
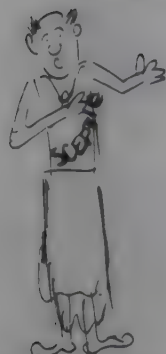
During the early phase, a minimum number of 50 groups are necessary for financial viability. It is better for these 50 groups to be confined to a single block rather than being dispersed across the district. Of course, we will have to start by forming one group. But the point is that we need to reach 50 as soon as possible and this defines the minimum commitment, time, and resource requirements at start up.

The survival and sustenance of the programme depends crucially on its rapid expansion to other blocks. Without such a scale-jump, self-reliance becomes impossible.

Of course, you will also need...

- An area where you have earned good will.
- Committed volunteers who have earned people's respect and confidence and are willing to work without pay at least in the beginning.
- A volunteer coordination group which meets at least once a month.
- An advisory committee, which includes persons, experienced in credit institutions.
- Seed money for printing 1000 savings books and other essential information material.

DUMBNUTS!
BUT WHERE IS
THE DOUGH TO
CARRY ON THE
/ SHOW?



GO FORTH, MULTIPLY
AND SPREAD THE
MESSAGE OF MALAR.

Ah! What we need now is...

So What Are MALAR's Expenses ?

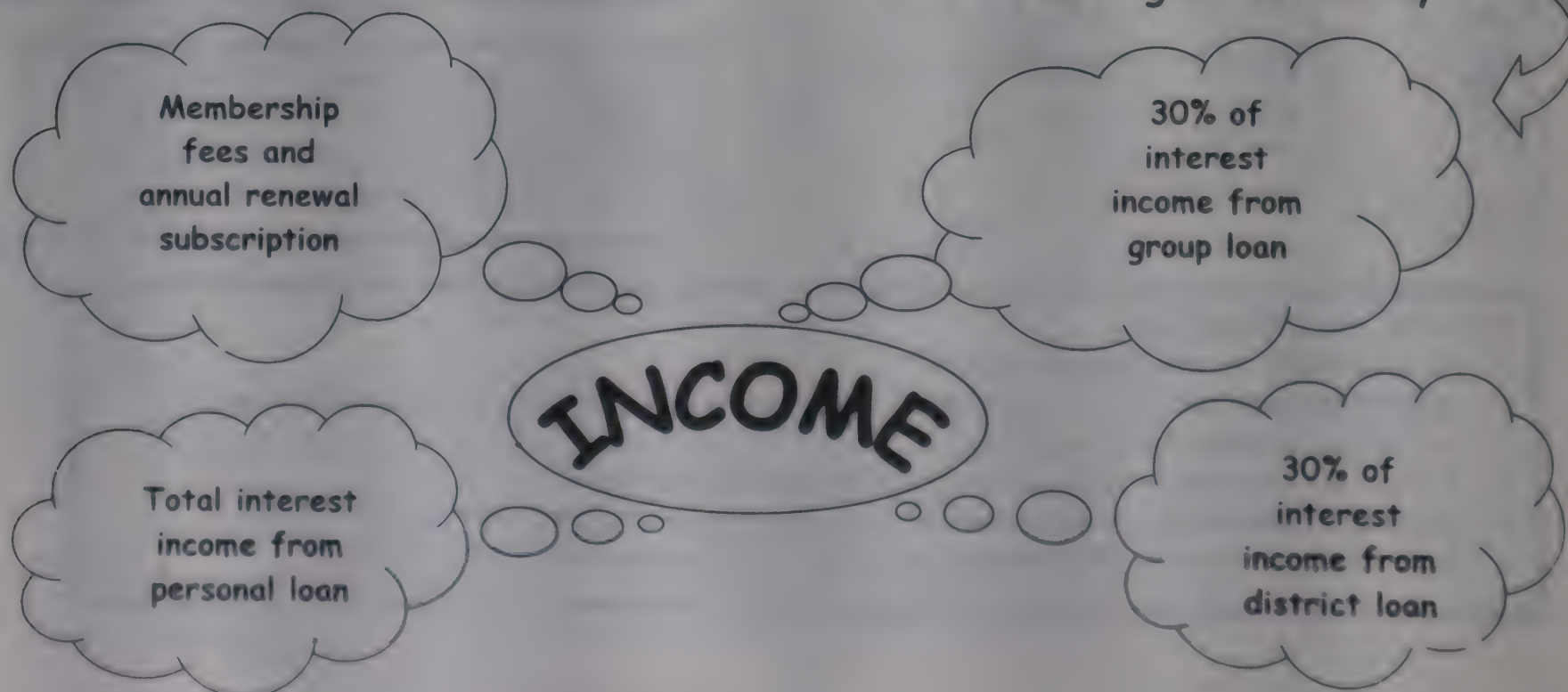
- Printing - passbooks, account books, monthly newsletters.
- Stationary and office rent and maintenance.
- Salary to full-time block coordinators.
- Salary to full-time office accountants and staff.
- Travel Allowance to treasurers for attending block and district meetings and refreshments.
- Training workshops and camps.

As you can see, MALAR's resource needs are fairly demanding. The organizational self-reliance that MALAR prides itself on is achieved through exclusive dependence on internally generated resources.

A crash course in Accounting !

- Financial Viability Means:
Income > Expense
- Long Term Sustenance Means:
Income Sources Do Not Dry Up
- Self Reliance Means:
Income to sustain the organization is generated through its services and does not depend on grants.

Well, so much for the expenses.
Now, let's look at
How MALAR gets its money !



Need More Explanation about the Income Sources ?
Don't Worry - That's exactly what you are going to get now !

Group Loan Interest Income

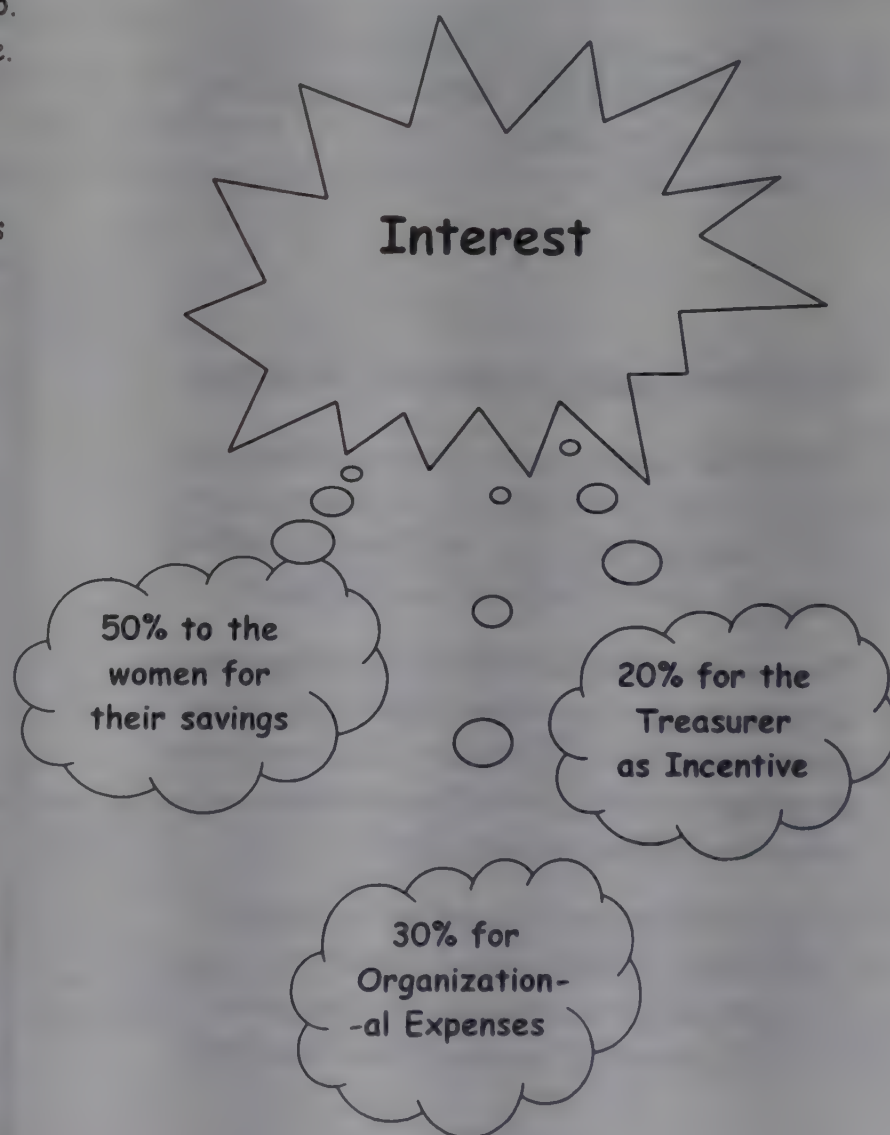
The 24% per annum interest charged on all MALAR group loans is remitted to the District office. Of this amount...

- 50% goes back to the group members as interest on their savings after 5 years. (MALAR has promised to pay 12% interest on savings of members after 5 years). This 50% should never be used to meet organizational expenses as this is people's money and is kept in trust with us. MALAR circulates this amount as district loan to its group, so that the money is not idle capital.
- 30% goes to the treasurer as incentive for the time and labour she invests in managing the group. Note that MALAR does not pay her anything else. MALAR encourages a treasurer to manage about 4-5 groups so that she earns a reasonable incentive to earn her living. This builds in a natural drive for expansion since the treasurer is monetarily motivated to start more groups. The limiting factor of course is that she has to separately hold weekly meetings for each group.
- Only the remaining 20% is available for meeting organizational and administrative expenses.

We Learnt It The Hard Way !!

Taking into account MALAR's 3-year experience, 20% of the interest income has proved inadequate to meet expenses. We suggest that you reverse the 20/30 equation by allocating 20% as treasurer incentive and reserving 30% for organizational expenses. (That is of course, only if you choose to adopt the incentive mode of payment for the treasurer).

Split it this way...



Membership Subscription and Annual Renewal

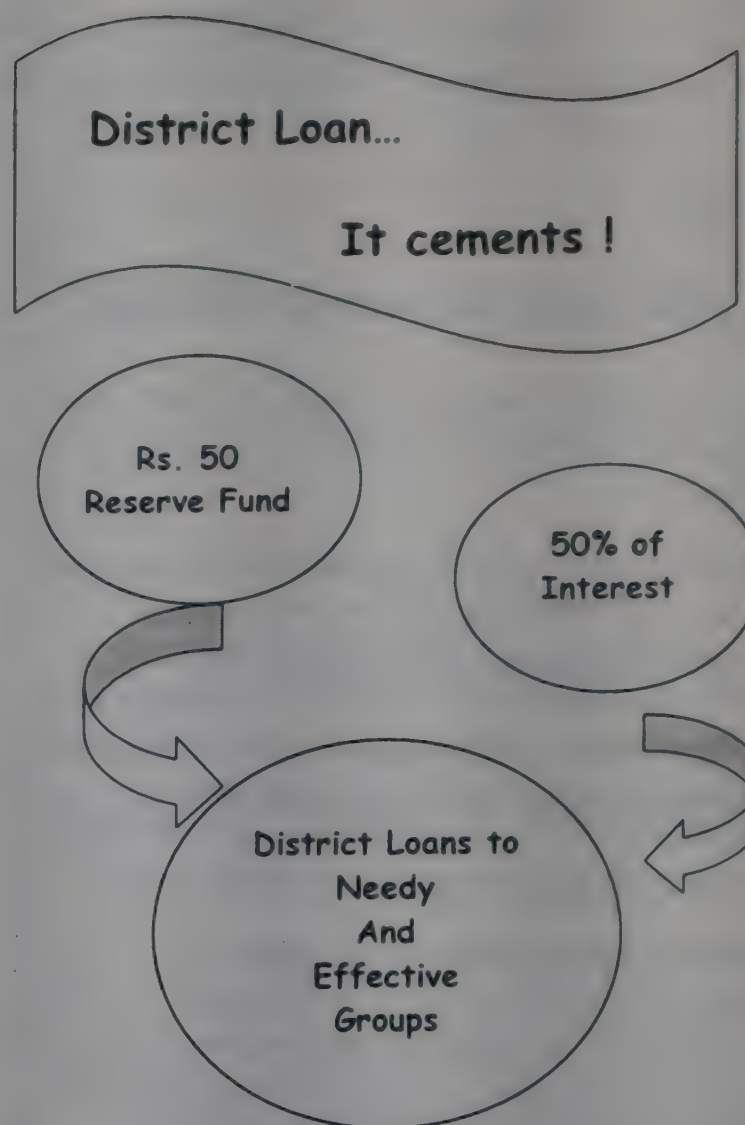
New members are charged a Rs.10 fee as membership subscription and all members are charged Rs.10 as annual membership renewal. (MALAR charged Rs.5 for 2.5 years and increased it to Rs.10 due to financial constraint.)

District Loan Interest Income

What is this district loan in the first place?

- Each group remits Rs.50 from its total monthly savings to the district office every month. This amount along with 50% of the interest income due to the group after 5 years is lent out as district loans to needy groups based on the effectiveness of their functioning.
- The district loan therefore becomes an important tool, which links the district with the groups and ensures effective functioning of groups.
- The district loan is given to meet any urgent, immediate requirement of the groups. No single individual is entitled to receive this loan from the district directly. The group receives the loan from the district and subsequently distributes it amongst its members based on group decisions. The principal and the interest are repaid to the district.

The interest income from the district loan is divided into the 50/30/20 ratio exactly like the group loan interest income.



Personal Loan Interest Income

- MALAR has made a provision for personal loans to group treasurers and full time coordinators from 2 district schemes - the Pension fund and the death relief scheme (Explained later).
- The personal loan scheme has been organized to compensate for the meager salary paid to our coordinators and to help them avoid temptation of misappropriating group finances during a period of pressing personal need.

As there is no question of incentive to treasurer here, the entire interest income from the personal loan (after making the payments for the pension and death relief) is used for organizational expenses.

Sometimes we are asked...

"Don't you think as an NGO it is unfair to take money from the poor women to run your organization?"

Our answer to this charge is:

- MALAR is the "women's organization", not an NGO run by outsiders.
- The fact that the women are willing to pay for the service means that the service is useful.
- Because the organization's expenses depend on the women, we are responsible only to the women and the day they feel the services of the organization are not useful, they will dismantle it.

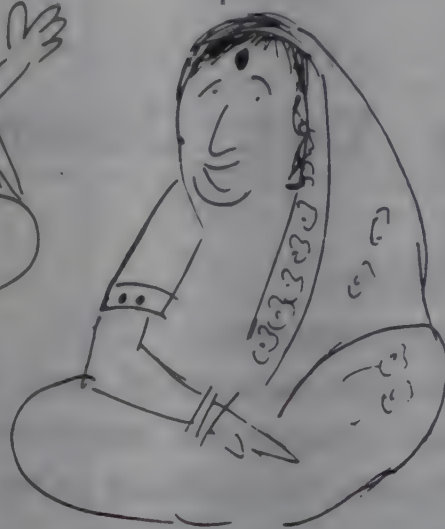
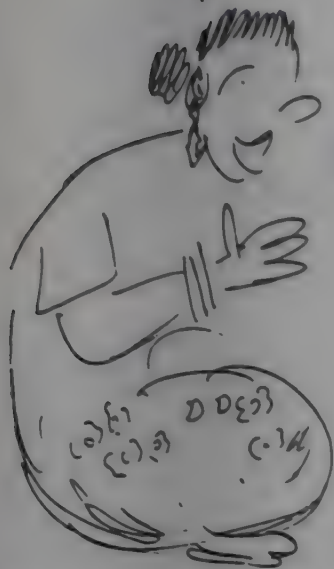
This is the way to ensure that the effort and idea is useful and needed.

Instead of 20% incentive, why not give a small salary to the treasurer, which grows as the group does?

REMEMBER THE GOLDEN RULE:-
LOCAL SPECIFIC SOLUTIONS.

Why incentive and salary? Let's cover only her expenses

How about getting the groups to cover her expenses directly?

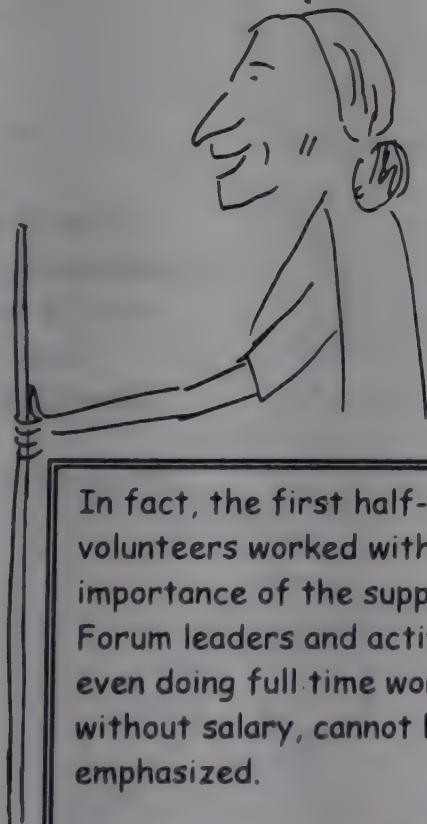


There is really not much more to self-reliance.
Make sure that your income sources can support your expenses and do it the way it suits your local conditions - it's that simple !

HEY!
ALL THAT
SOUNDS
JUST TOO EASY.

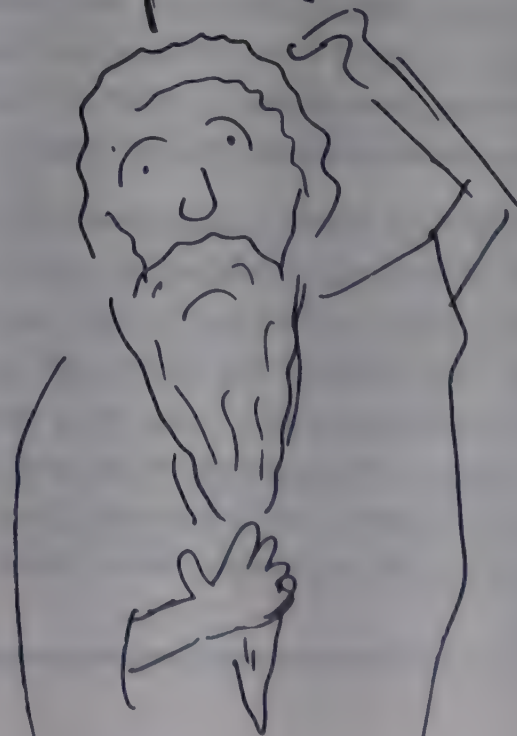
WELL ACTUALLY THAT'S NOT ALL...
THE OVER-RIDING SPIRIT IS VOLUNTARISM
AND MALAR HAS PLENTY
OF THAT

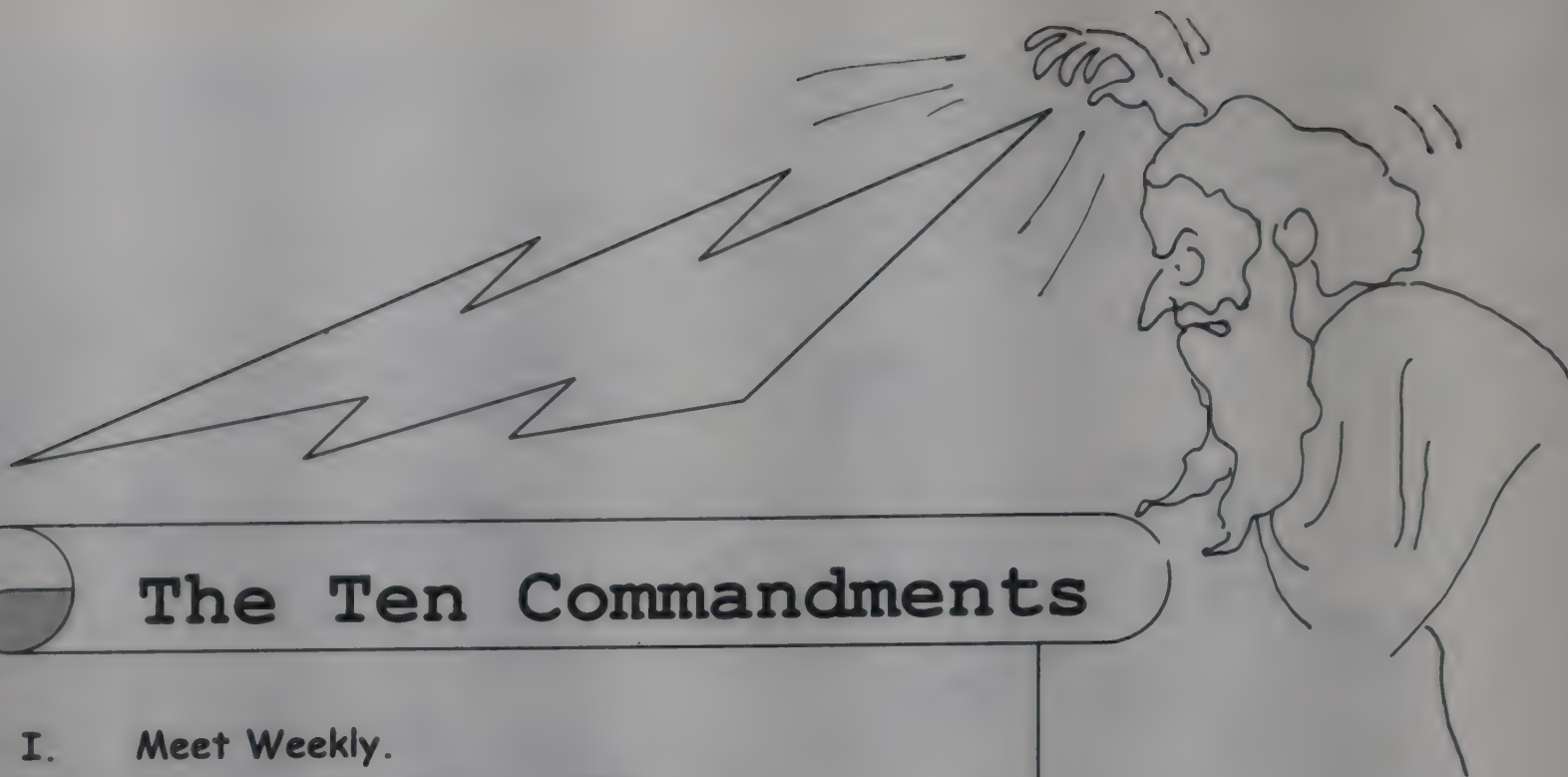
oh dear, I am getting so
forgetful these days.
I forgot something
very important.



In fact, the first half-year, all MALAR volunteers worked without even TA. The importance of the support of Science Forum leaders and activists, some of them even doing full time work for MALAR without salary, cannot be over-emphasized.

Now after 3 years, the full timers are paid between Rs.500 and Rs. 1250/month.





The Ten Commandments

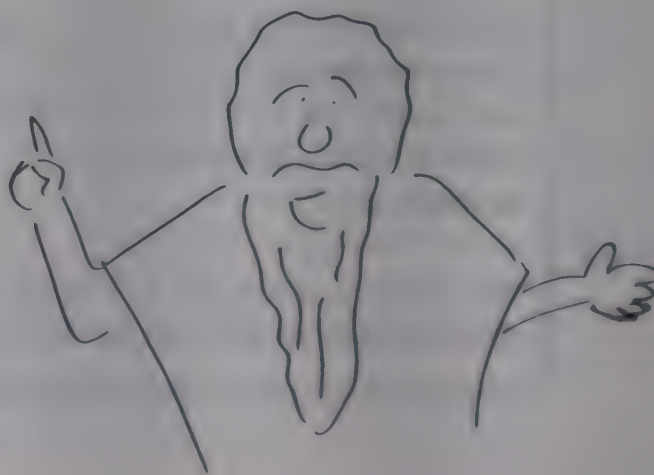
- I. Meet Weekly.
- II. Minimum attendance - 75%.
- III. Maintain the minutes of each meeting.
- IV. Read and discuss the newsletter and Neo-literate broadsheet in the meeting.
- V. Submit the group accounts, Reserve Fund and interest to the district each month.
- VI. Make the Treasurer submits the Accounts and the Receipts to the group.
- VII. No loan defaulter in the group.
- VIII. Collective decisions on lending and collecting repayments.
- IX. Start Children's Science Clubs.
- X. Hold periodic enterprise training.

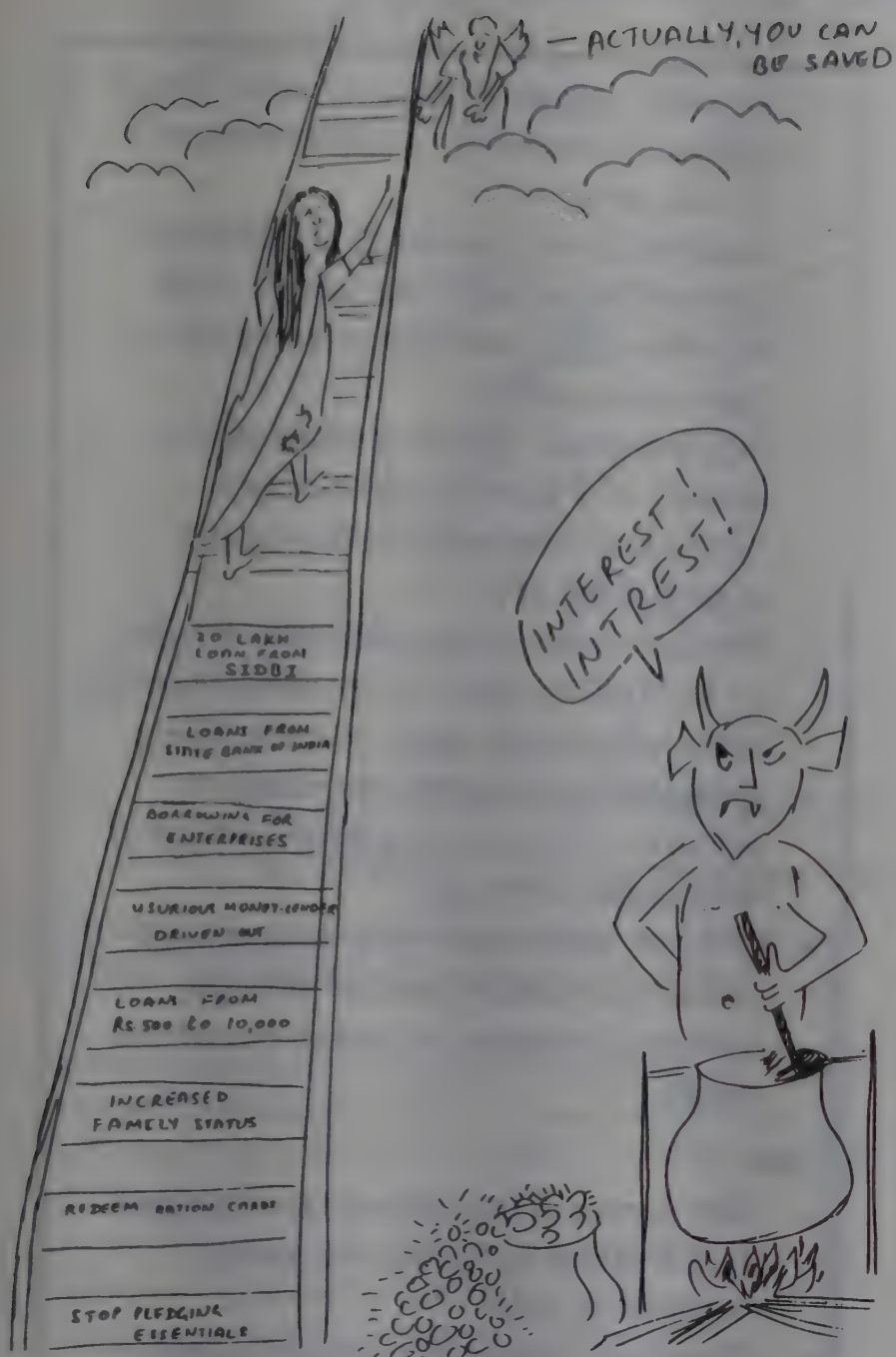
We Learnt It The Hard Way !

MALAR did not start with these rules. As we ran into different problems, we formulated rules to prevent them from occurring again. Experience has shown us that not following these commandments always leads to trouble.

For example: When groups don't meet every week, doubts about the safety of their money, their control over it, etc begin to arise. This often is the first step leading to a non-functional group. Also, since the women don't meet often enough, trust and bonding amongst them doesn't develop. So at best the groups function as mere low-interest chit-funds.

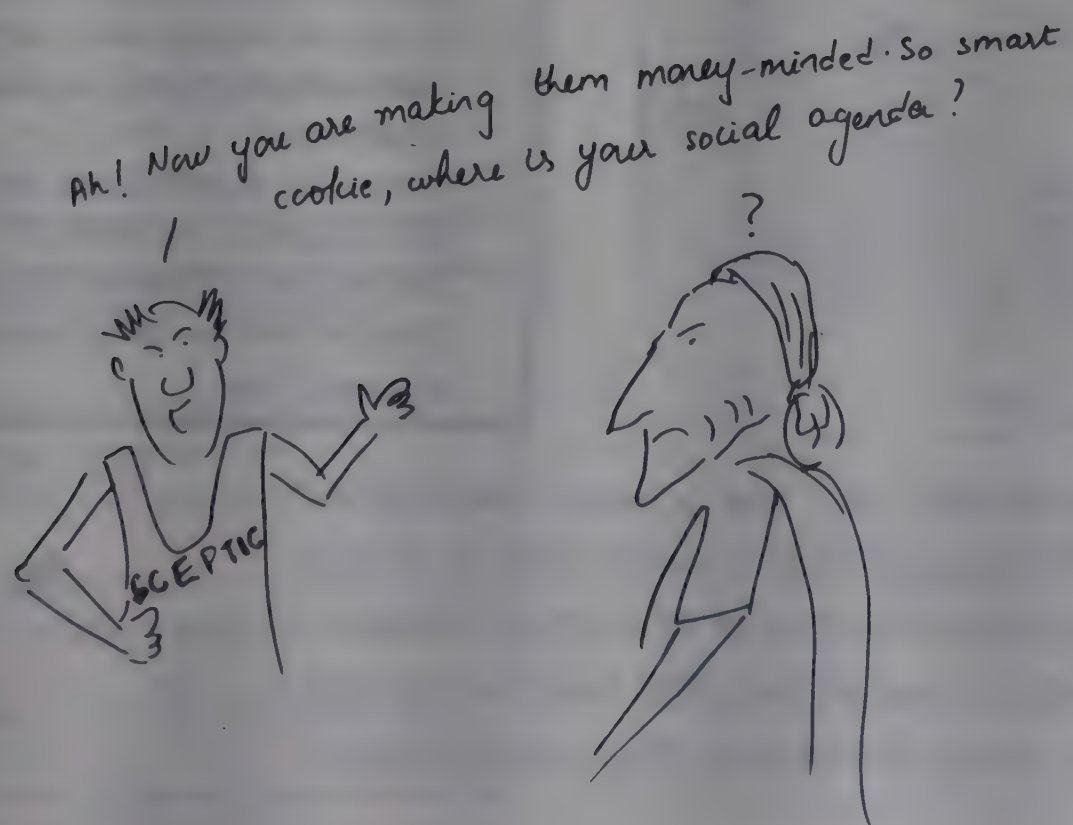
Follow the 10
Commandments and thou
shall be saved...
oops !
...thou shall save.





The Economic Benefits

- Several MALAR women testify that the redemption of family jewellery and even essential items such as ration cards that they had pledged as collateral has earned their family's respect and enhanced their own sense of self-worth.
- Over 3 years, there has been a visible shift in the borrowing purpose from loans for only consumption and emergency needs to also investment in various micro-enterprises run by the women.
- The commercial banks which used to refuse to even open S.B Accounts for our groups have come forward today to lend to our women as the regular repayment of MALAR loans has built their credit history.
- SIDBI has sanctioned a loan of Rs. 20 lakhs to the existing and potential MALAR women entrepreneurs.
- In Sadayankuli village, MALAR has started a Ready made production centre involving 20 women from 6 groups.
- MALAR women have used their loans to start and successfully expand food-processing enterprises such as production of nutrition mix, dried chutney powder etc.



Do we address other issues of Women's rights?

HERE IS YOUR
CULPRIT! BOOK HIM
AND DO IT NOW!



WE
PRONOUNCE
YOU
GUILTY



HIT YOUR WIFE AGAIN
AND SEE
WHAT HAPPENS!



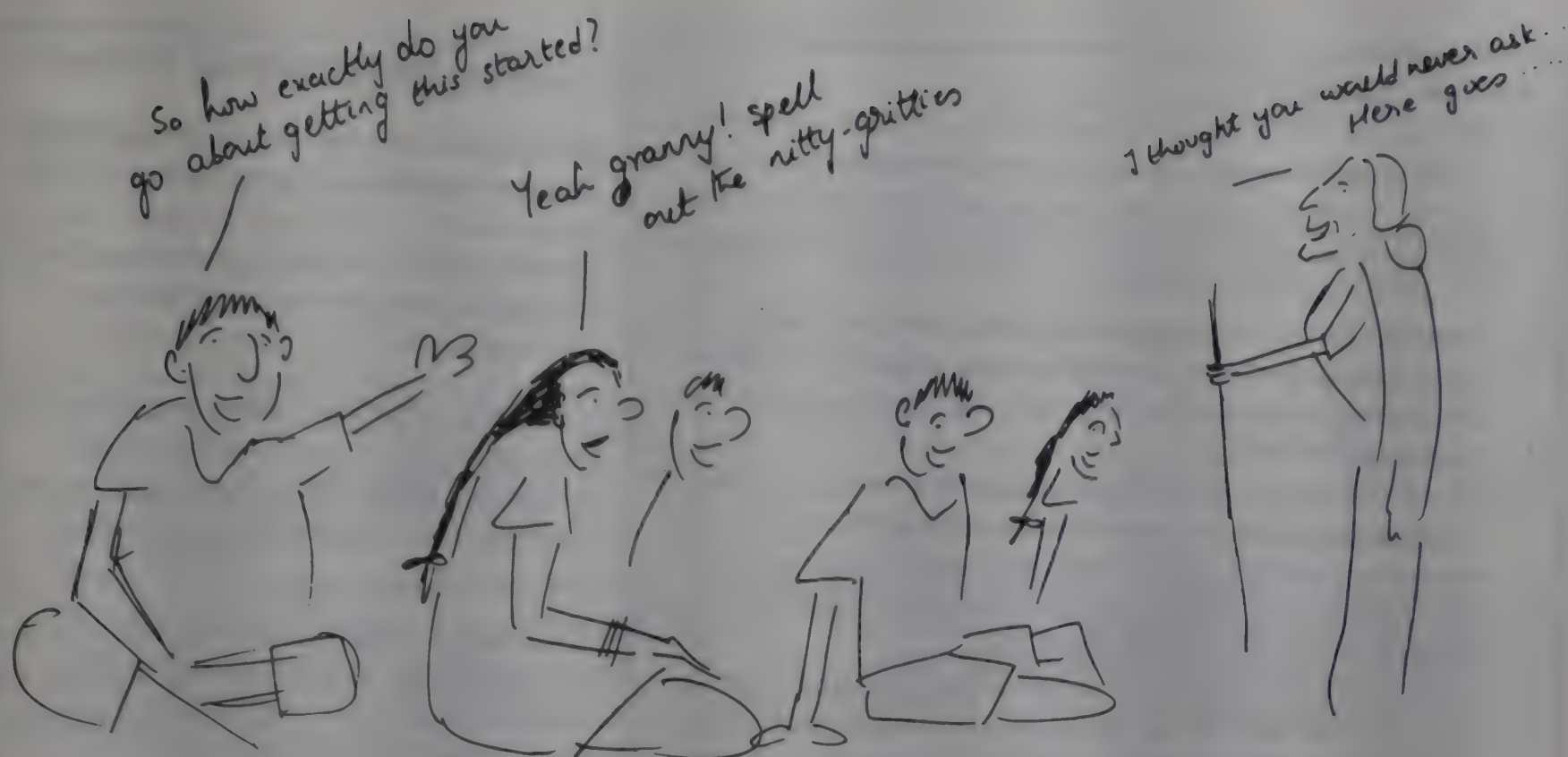
- Kollanchi village: Treasurer mobilizes and leads community in destroying all arrack units.
- Vadivilai: Group members protest and retrieve public path usurped by local rich man after men had given up the task as impossible.
- Kutriparavilai: Women expose sexual assault of 7 year old girl by close relative of local political bigwig and ensure filing of F.I.R
- Thiruvarambu: Group uses district loan of Rs.5000 to install first streetlight of their village and repays it collectively.
- Manjalumoodu: Group intervenes to initiate and ensure peaceful conduct of intercaste marriage.
- Killiyoor Block: Members ensure legal action in a murder case of wife by husband dismissed by police as natural death.

Also...

- Our women often address problems of wife beating by taking the errant husband to task.
- They have reported malfunctioning of local ration shops and other govt. services to concerned authorities.
- 51 MALAR women have contested Panchayat elections, successfully or otherwise.
- Every year hundreds of MALAR women participate in the March 8th, International Women's day celebration along with other progressive women's organisations.

The point to note is that just the process involved in sustaining over 400 groups is so intense that it draws the organization into all aspects of women's lives. Necessarily the entire leadership gets involved in many women's issues- going far beyond the credit issue.





**This is how you go about starting
a credit co-operative movement like MALAR...**

Step 1: Formation of District Committee

- Identify and organize volunteer committee of Samam/PSM/Saksharatha to conceptualize, plan and coordinate activities necessary to establish the groups.
- Organize meetings of volunteers to identify potential, enthusiastic activists.
- Print the passbooks, membership subscription forms, monthly account sheets and other materials required to start groups.
- Contact banks and help open S.B Accounts for groups

Our experience indicates that 2 or 3 full time volunteers will help considerably in initiating the programme.

Step 2: Creation of Byelaws

Remember that it is essential to create Byelaws in order to register under the Society's Registration Act. This will help in handling legal issues, approaching banks, getting loans etc.
Plagiarism allowed: MALAR's Byelaws enclosed.

Step 3: Establishment of groups

- Hold village meetings to meet the women and explain objectives of the programme.
- Organize 15-20 women in a neighbourhood into one group.
- Fix an annual membership fee and collect it from each member. (MALAR's membership fee is Rs.10)
- Issue a separate passbook to each member for a record of her savings.



And now the don'ts...

- Don't go to start a group without plenty of blank membership subscription forms. As soon as you finish explaining the idea, fill the forms after collecting the membership fee from the interested women. Or leave the forms with your local contact and ask her to fill it up later.
- Arrange to meet the women on a fixed date again usually after a week. And don't break that appointment. The longer the time gap between the first visit and the second, the less the women trust you.
- During the second visit, bring the individual savings passbooks of the women who have joined the first week. Such promptness and the sight of the passbook strengthens the confidence of the women who have joined and helps to convince those who are still sceptical.
- Continue to visit the group for the consecutive weekly group meetings. Ensure that the group selects its coordinators by the second or third meeting. Help the coordinators to open the group's bank Account.
- Acknowledge any payment by group towards organization by immediate delivery of receipt to group.

Once the group is formed...

It selects the place, day and time of the regular weekly meeting according to its convenience. It proceeds to select the coordinators - President, Secretary, and Treasurer. The functions of the 3 are defined below:

President: Usually an older, mature person who commands respect and possesses leadership skills. She presides over weekly meetings in a responsible and dignified manner.

Secretary: Should be sufficiently literate to maintain the minutes of the meeting. She reads the minutes of the previous meeting at the start of each meeting.



...And The Treasurer...

This key functionary should know how to maintain accounts. She possesses adequate literacy and numeracy skills. She is the key link between group, bank and district structure. She operates bank account, and attends the monthly district meetings. She should present the group's financial position at the weekly meeting and submit the monthly account sheet to the office. The treasurer is usually the coordinator of 5 to 6 groups, although she is the member of only one. She gets paid an incentive based on the interest income generated from the group.

WE HAVE NO PLACE FOR
WOMEN LIKE YOU
IN OUR BANK

WE HAVE NO PLACE
FOR BANKS LIKE
YOU IN OUR
VILLAGE!



But the problem is...

During the early phase, opening bank accounts was the biggest problem MALAR faced. The bank staff harassed coordinators by insisting on members' photographs, asking for copies of Byelaws and even driving away the women on the flimsy pretext of lack of staff. For many MALAR women, talking to bank staff was a humiliating experience. Ultimately, the persistence of MALAR functionaries and the intervention of the district coordinators who pleaded their case with top ranking bank officials solved the problem. Delay in opening the account has also caused the problem of groups starting lending activities before the account is opened.

When starting women's savings group, prioritize the establishment of a good rapport with senior bank officers and creation of linkages with the banking structure. Also make attempts to involve socially conscious bankers in the district level consultation committee.

Let's get our lending procedures right !

As soon as the group has saved Rs.500 and has opened a bank Account, it can start to give loans.

- The group need not and in fact, should not wait for any length of time before it commences lending activities. Remember that the initial attraction for the women to regularly hold and attend group meetings is the possibility of availing low-interest loans.
- Delay in giving loans could cause low-attendance problems.
- Moreover, the organization itself suffers a loss because the savings is just sitting in the bank (and gets a trivial interest on it) and the organization gets no money out of it, whereas we still have to pay the interest on this savings for this period to the members. Recall that this is because the organization gets money to pay the savings interest only from the interest income generated from the group loans and remitted to the district on a monthly basis.

The decision on who the loan recipient is, must be taken by all the group members and only during the group meeting.

- The treasurer does not take this decision.

Frequently Asked Questions

Loan defaulters - How do we handle them?

Our carrot and stick policy usually deters any loan defaulting except under exceptional circumstances.

The stick is the social pressure exerted by other group members who the defaulter cannot avoid meeting almost daily. There have been cases where willful defaulters have found the rest of the group landing at their doorstep and demanding repayment. The fear of such humiliation is the most powerful deterrent.

The carrot is of course the fact that a group member is not eligible to a second loan until she has repaid the first. The entire group is not eligible for district loan or bank loan in the case of any loan default.

How about exceptional circumstances ?

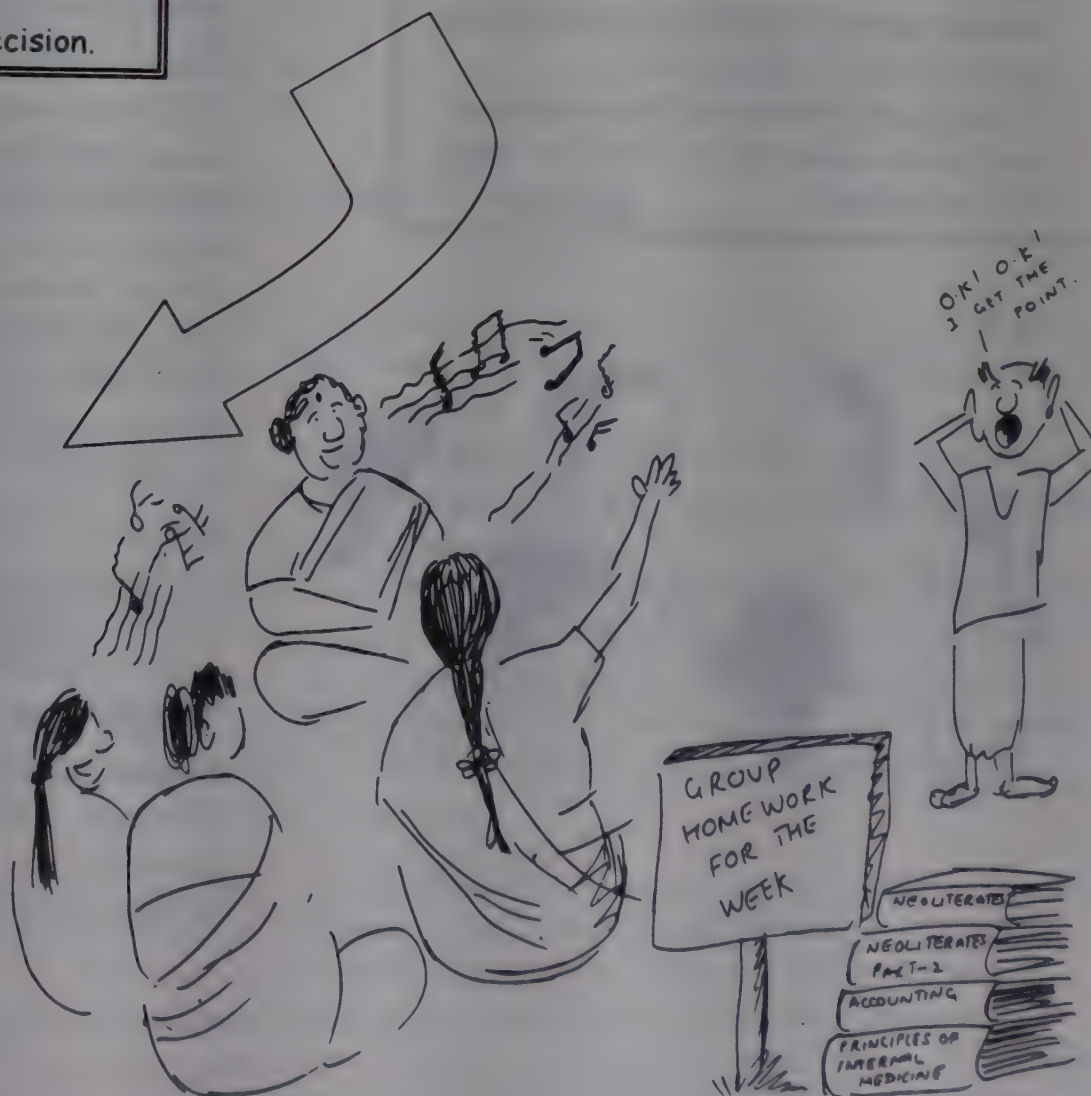
Sometimes a family crisis can cripple a woman's repayment capacity. In Ootruvilai village, a member who had taken a loan of Rs. 1000, lost her husband in a lorry accident after having repaid only Rs.200.

Realizing that she was in no position to repay the balance, the group members contributed Rs.40 each to repay her loan and decided to waive the interest. In such cases, it is the group's decision that prevails.

Step 4

The weekly group meeting !

Every meeting starts with a group song collectively sung by all the members.



The 5 Point Meeting Agenda

The weekly group meeting agenda is organized in the following manner:

- The Secretary reads the minutes of the previous meeting, which is approved by the group.
- The Treasurer presents a complete statement of the group's income and expenditure. Every group member must know the total savings, total loan disbursed, total amount available for lending that month, and whether those who have borrowed have been repaying regularly.
- Any literature supplied by the district is read and discussed. Participation of all members is necessary to ensure a lively and vibrant group meeting. The group coordinators are trained to conduct post-literacy activity and lead discussions on gender issues.
- Discussion of local and personal problems and issues is encouraged as an integral component of group agenda. The group atmosphere emboldens members to discuss personal problems and seek group intervention to resolve them.
- Collection of savings and the decision on the loan recipient of the month is always the last agenda.



Frequently Asked Questions

Why weekly meetings? Won't monthly meetings do?

- Initially there may be some opposition to the idea of meeting every week. The women usually argue that family responsibilities and household chores leave them little or no time at all for weekly meetings.

To counter this, start by admitting that women are always over-worked and over-burdened and that they work much harder and for longer than even their husbands. Then go on to ask them who they do it all for. The answer is usually "husband, children, family, in-laws, parents etc." Wait till they finish and then ask what they do for themselves. Also ask whether their ceaseless daily labour brings them any monetary reward. How much, for instance, would they charge daily if wages were offered for housework? Develop the argument to ultimately ask, "When you can work so hard for others without any expectation of reward 7 days a week, can't you spend just one hour a week on yourselves?". Selling the weekly meeting is so much easier when you appeal to women's sense of being exploited and used by a system which doesn't even believe in saying thank you.

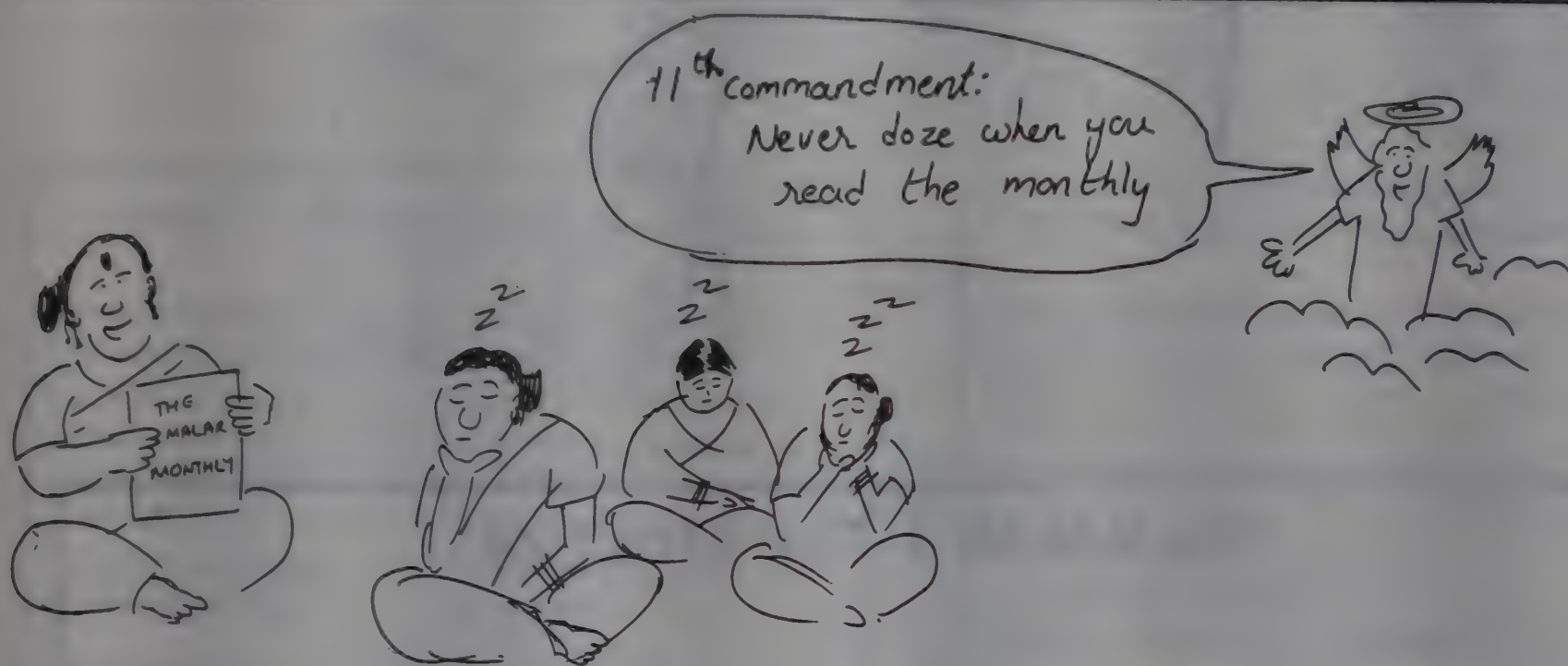
- Also make the women see that the meeting would be the space for them to share jokes and enjoy each other's company forgetting the worries of home for a while. Make them feel that they deserve and that they have earned their right to this space, this leisure time.
- Convince the women that they need a Sangam where they freely and openly discuss their problems and try to evolve strategies to collectively address them. Tell them that just like an agricultural labourers' union or construction workers' union which fight for the rights of their members, women who work at home also need a union. Where else would they go with their problems? The 20 women who form the savings group should become a Mahila Sangam not only for group members but also for all the women in their village.
- Also clarify that a situation of monthly or no meetings at all usually imply total domination by the treasurer or coordinators. Most members would be unaware of income-expenditure accounts. Democratic and transparent group operations demand weekly meetings.
- Without weekly meetings, our primary purpose would be defeated. Our groups would be no more than any other local chit fund, with low interest rate being the only distinguishing feature.

Step 5: The Monthly Newsletter

Purpose:

- To inform members about the growth of the movement and make each individual feel part of a big women's movement.
- Involve the women in debates about the problems and prospects of the movement, the direction it should take, additional dimensions it could assume etc.
- To generate awareness on health and legal literacy.
- Disseminate information on government schemes for the poor.
- Act as women's window to the world through regular international, national, state and local news bulletins.
- Serve as an opportunity to encourage women's poetry and short story writing skills.

Take special efforts to ensure that the communication is two-way and not monopolised by the district. Preparation of the newsletter can be delegated to the block committees to ensure wider participation.



Step 6: District Level Training

A monthly district level training is organized for the treasurers to discuss the problems and growth prospects of the movement. These monthly meetings between the group's representatives and the district leadership are a perfect opportunity to...

- Assess the group's response to new ideas and schemes that the leadership may think of introducing.
- Keep the leadership informed about the groups' expectations of the programme and the various needs that they would like it to meet.

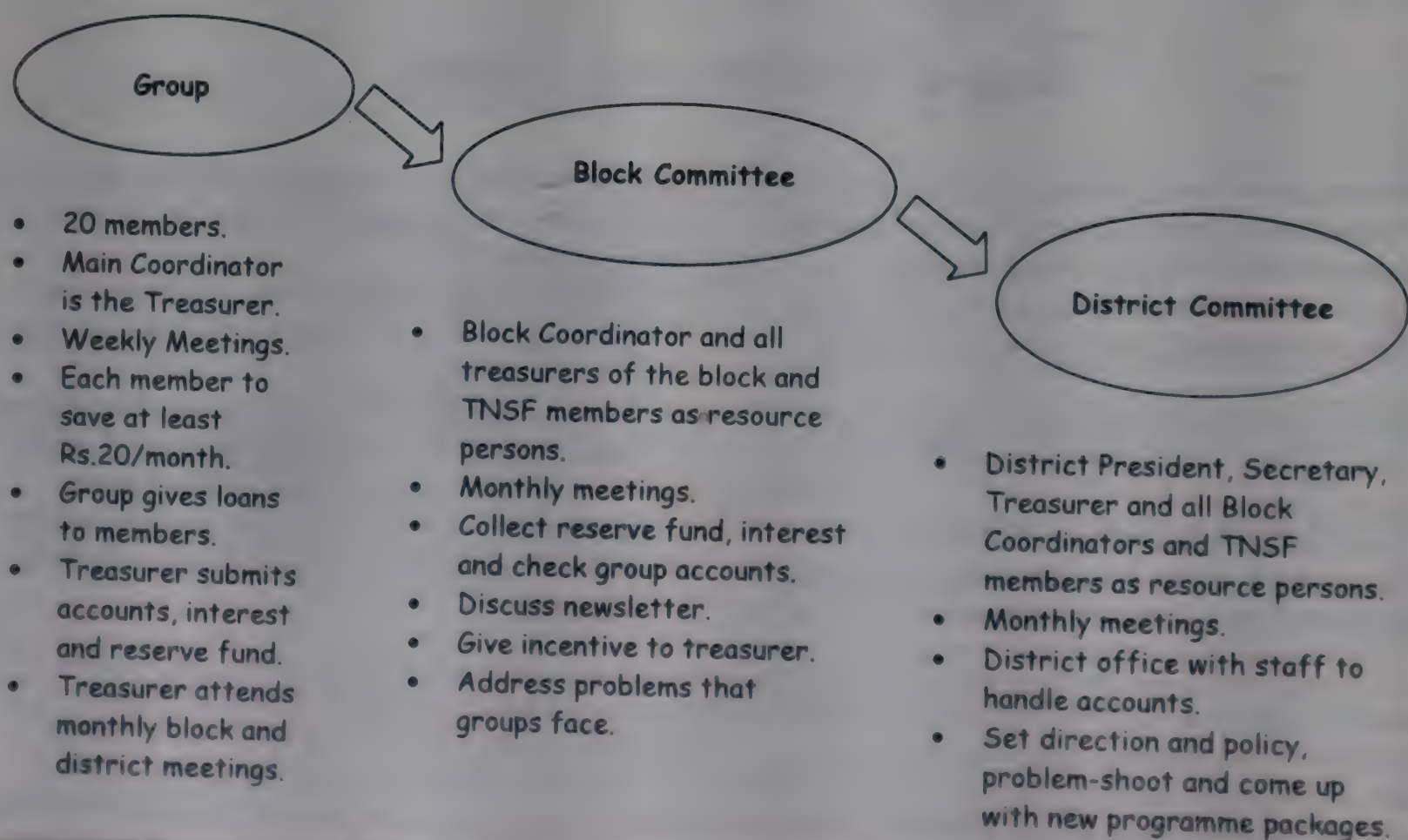
This monthly training is therefore an important source of feedback for the leadership about the progress of the movement.

- The monthly newsletter is also introduced and explained in order to equip the treasurer to discuss it in her group.
- Resource persons who are experts in areas such as legal and health literacy, women's rights, support for enterprise opportunities for poor women, government schemes for weaker sections can be invited to interact with our women during these meetings.

It would be ideal to hold block level training workshops every once, in say, 3 months for training the group coordinators (the president, secretary and treasurer of each group). Very often, we find that the treasurer tends to dominate group decision-making processes when the other 2 coordinators are untrained and unable or unwilling to play an active role in conducting group meetings. Also training the Secretary and President in reading and understanding the monthly Account sheets would be an important component of these training sessions.



The MALAR 3-Tier Structure





Step 7: Block Level Meetings

When the groups in a block/Taluka grow in number, coordination and monitoring of the groups requires a full timer. This full timer is the block coordinator. (Usually, the most effective and dynamic treasurer is selected for this). She is responsible to the district for the block's performance and expansion. She is paid a fixed monthly salary, which is determined by the number of groups that she has to oversee.

All the treasurers of the block meet the Block coordinator at a regular monthly meeting. At this meeting the monthly accounts of each group is checked by the coordinator and the treasurer is paid her incentive. The entire interest income and Reserve Fund of Rs.50 from each group is remitted by the treasurer to the Block coordinator who in turn remits it to the district.

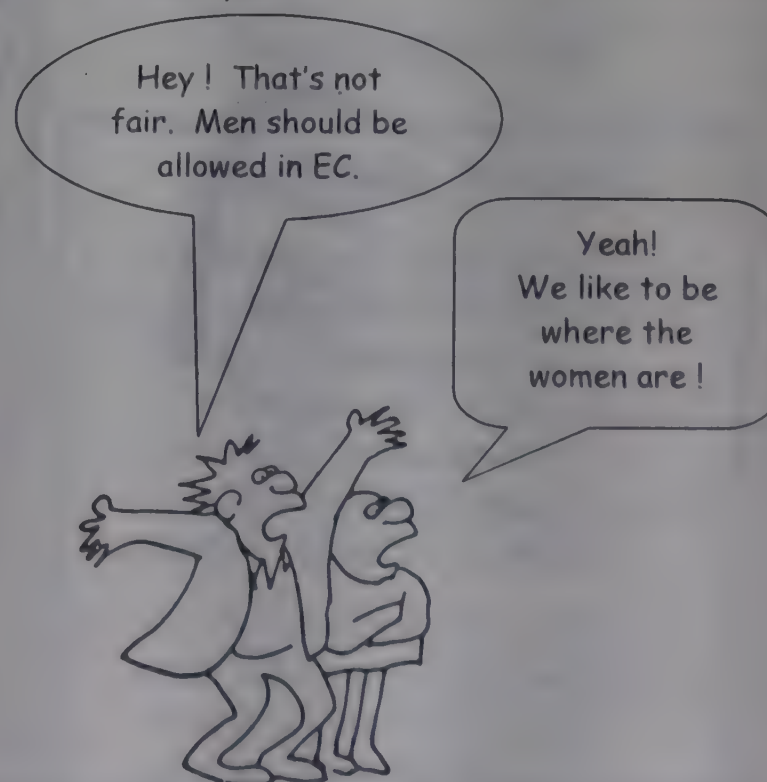
Incentive is only paid at the block meeting. This is strictly observed to ensure full attendance of treasurers.

The block's PSM activists attend these meetings as resource persons.

District level Executive Committee

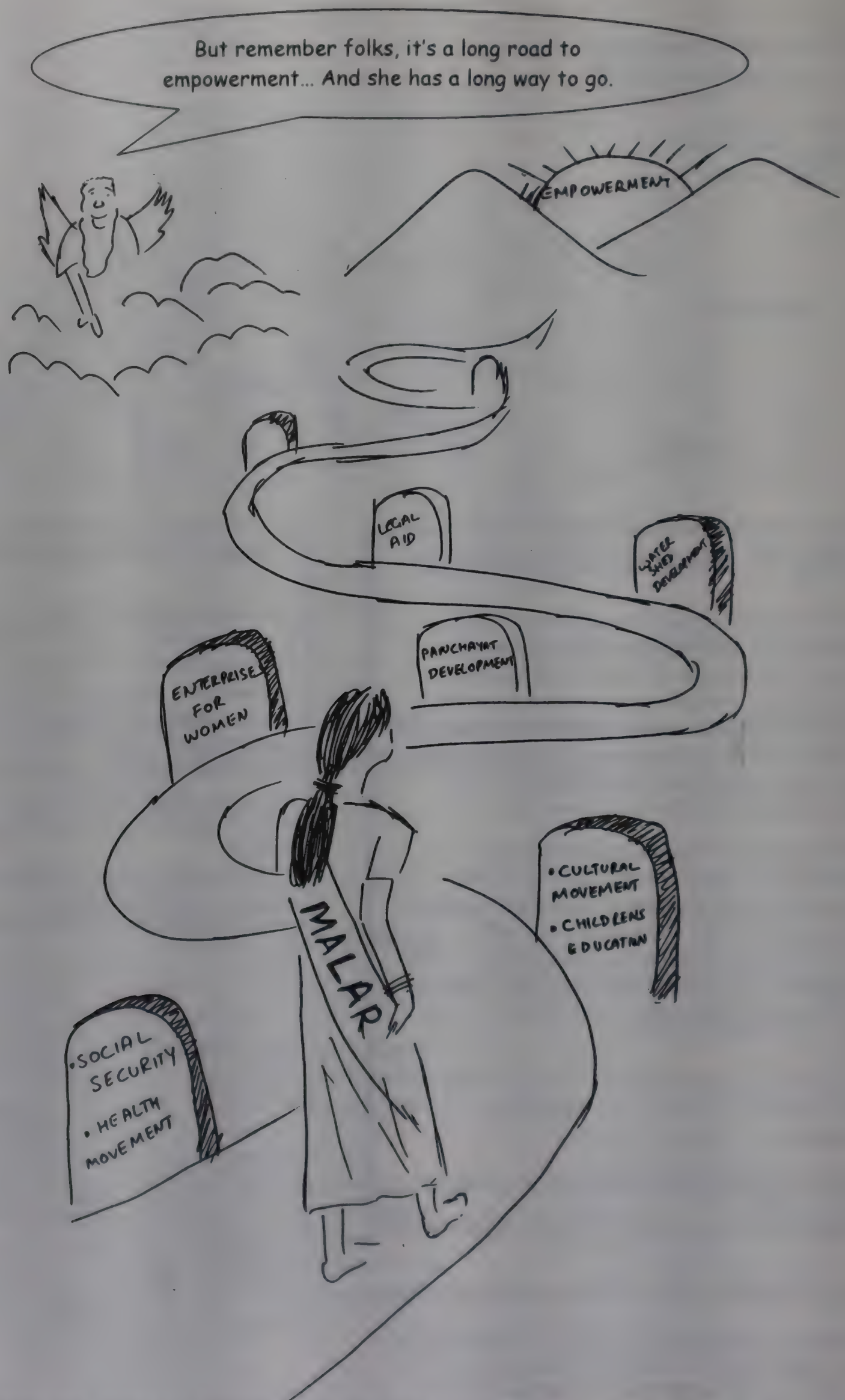
In order to coordinate the movement at the level of the district, a district leadership consisting of District President, Secretary and Treasurer are necessary. They, along with the block coordinators, constitute the district Executive Committee. The District EC meets every month to plan the growth of the movement. BGVS/PSM block and district activists attend the EC meeting as resource persons.

It is important to note that men can only be advisors and not EC members.



Don't get frightened by all these steps to follow!

The important thing is your commitment to organize the women. Don't worry too much about the problems that may arise - you can handle them as and when they do. That's what we did!!



After establishing the credit co-operative network and ensuring its smooth functioning, there are a number of additional things you can do to make the lives of the women, more livable...

WHEN I CAN NO
LONGER EARN OR SAVE WHAT
HAPPENS TO ME?

IF I DIE...
... MY CHILDREN

DONT WORRY MY DEARS.
WE THINK OF
EVERYTHING!



The Pension Scheme

MALAR has innovated a pension scheme for its members who would have no access to any form of social security otherwise. Under this scheme, a monthly payment of Rs.25 or Rs.50 can be made for a payment period, after which the member can either get a monthly pension or a lump sum. This is explained in Table A.

Death Relief Fund

MALAR created the death relief scheme in response to popular pressure from the women for some arrangement for ensuring dignified performance of the last rites. A MALAR member makes a single one-time payment of Rs.50 to join this scheme.

- If she is less than 55 years when she dies and also an active member of MALAR, her family gets Rs.5,000.
- If she is older than 55 years, the family gets Rs.2,500.

When Rosely of Kutriparavilai village died orphaning her 6-year-old daughter, her co-members decided that the money would be better spent if deposited as a fixed deposit in the child's name. In such cases, the group decides the course of action.

- The money raised through the death relief fund is circulated through the Personal loan scheme. The interest on this loan is used to pay the death relief.

MALAR had earlier fixed the amount as Rs.20 but later increased it for new groups to Rs.50 due to financial non-viability. We might still end up with a loss on this scheme though. However, the idea itself has been widely welcomed by the women. Before starting similar schemes, it is better to wait for the stabilization and the expansion of the programme. Rashtriya Mahila Kosh has a similar programme which one may make use of.

Table A: Pension Scheme Chart

Monthly Payment	No. of Years	Monthly Pension	Lump sum Receivable
Rs. 50	10	Rs. 120	Rs. 12,000
Rs. 50	12	Rs. 160	Rs. 15,000
Rs. 50	15	Rs. 250	Rs. 25,000
Rs. 50	20	Rs. 500	Rs. 50,000
Rs. 25	10	Rs. 60	Rs. 6,000
Rs. 25	12	Rs. 80	Rs. 7,500
Rs. 25	15	Rs. 125	Rs. 12,500
Rs. 25	20	Rs. 250	Rs. 25,000

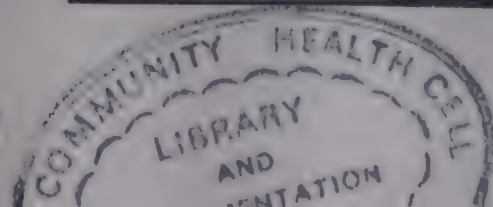
You can also try this...

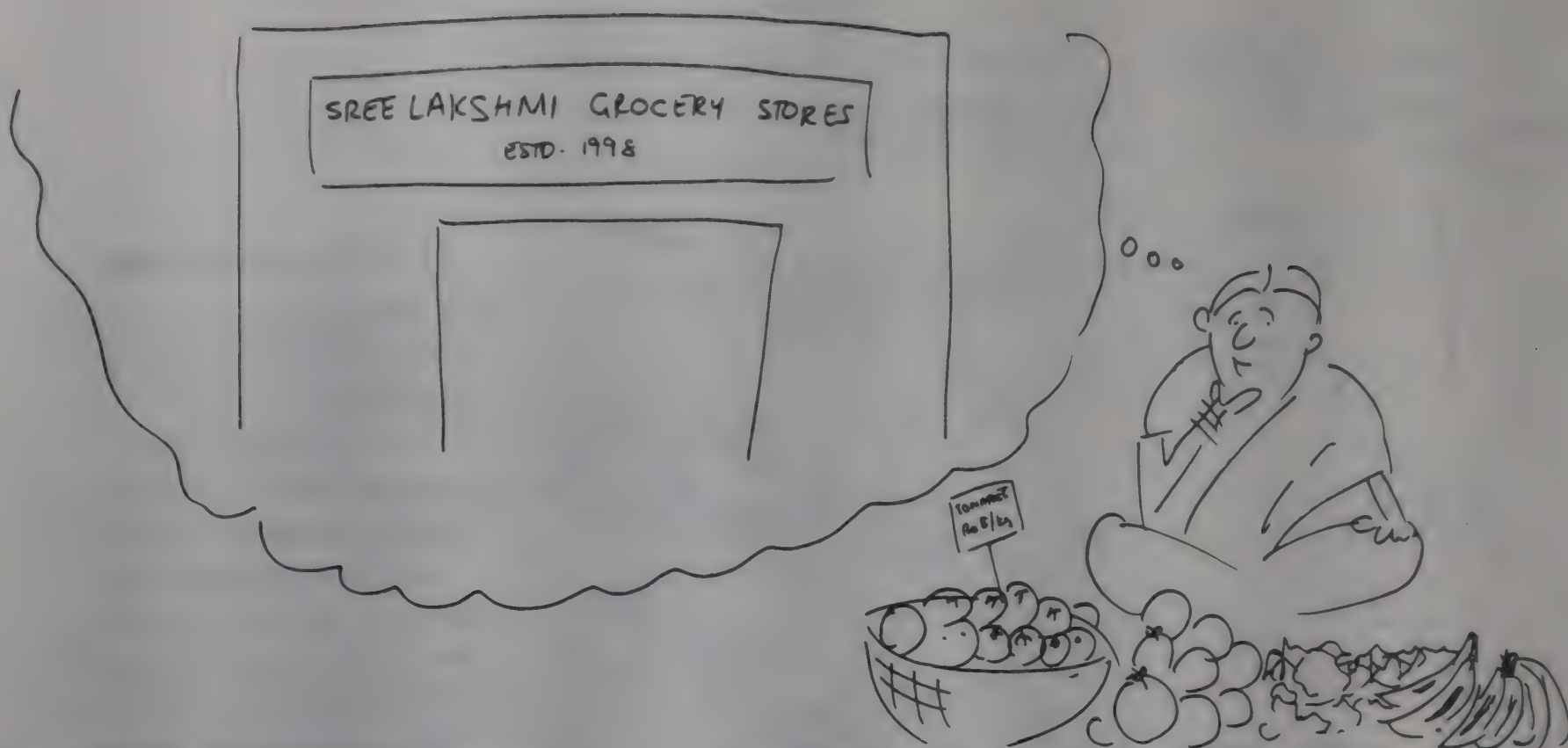
Government Schemes

- You can become an agent of the General Insurance Corporation's Accident Insurance Scheme: An annual payment of Rs.5/Rs.15 earns a compensation of Rs.10000/Rs.25000 respectively if death is caused by an accident.
- Another useful policy to which we could link up our women would be the GIC's Health Insurance Scheme (Jan Arogya).

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- The first step is consulting an organization experienced in enterprise generation to guide the groups on establishing economically-viable, profit earning enterprise opportunities for women. Centre for Ecology and Rural Development (CERD) plays this role for MALAR.
- MALAR began by identifying women within the groups who are already engaged in petty enterprises and providing larger loans to them to expand their enterprise.
- The next step was the identification of wage earners interested in starting their own enterprise. These are daily wage laborers working in enterprises run by others and wanting to use that experience to start their own units.
- The highest-risk activity would be our initiation of enterprises after thorough feasibility and profitability surveys for interested women who are not involved in any productive activity outside the household.



Enterprise Promotion Programme

- After the programme stabilized and expanded, MALAR faced a tremendous demand from the women for promotion of enterprise activity. Many of MALAR's members who are not involved in any income-generating activity feel that their dependence on their husband will reduce only if they can earn an income of at least "Rs.20 a day".
- Experience has shown that while a credit cooperative programme can be built and sustained without much external support, the transition to enterprise promotion on a large scale requires marketing assistance and technical expertise; skilled service support from outside.

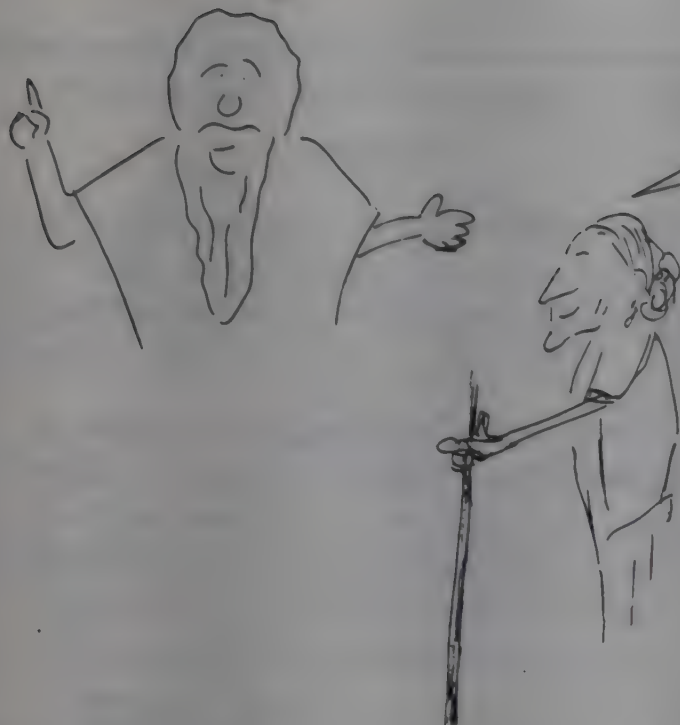


Organising Entrepreneurship Development Programmes to develop entrepreneurial, marketing and accounting skills can help identify potential entrepreneurs and upgrade skills of existing entrepreneurs. Often, we find that even women who run successful micro-enterprises have no proper accounting system which takes into account all their costs, particularly the costing of their own labour.

MALAR has also been thinking of creating opportunities for women practising the same trade to meet and share experiences and exchange information about cheaper raw materials, better market conditions, pricing and selling strategies, etc. The idea behind this network creation is figuring out ways to eliminate the middlemen, who eat the lion's share of the profit in most of the low-skill, low pay, non-unionised informal sector work.

There are also other things you can try like a Health Campaign, Legal Aid and Counseling, Women's library campaign, Interventions in Panchayats, Children's Education, Agricultural practices, Water management, Right to Information Campaign, ...

Shop around for models that other people have developed. But remember to always adapt it to suit your savings programme. Particularly ensure that it is woman-centered.



Post Literacy Work

What we are doing:

- The groups subscribe to a monthly neo-literate broadsheet prepared by the BGVS.
- A monthly resource paper prepared by MALAR is distributed free of cost to all the groups.
- Neo-literate booklets popularized by the Jan Vachan Andolan are read out and discussed at group meetings
- Numeracy skills are reinforced by constant familiarization with group Accounts.

What more we can do:

- Where local libraries are usually unused, and are particularly out of reach for women, we can establish libraries exclusively for women.
- Periodic cultural programs such as street plays staged by our women, video shows etc. can be used to develop a robust cultural movement.

The vigour and enthusiasm with which MALAR's women have organized and participated in village-level cultural programs during group anniversary celebrations and the annual MALAR General Body Meetings at the block and district levels reveals the abundance of hidden talent waiting to be unearthed.

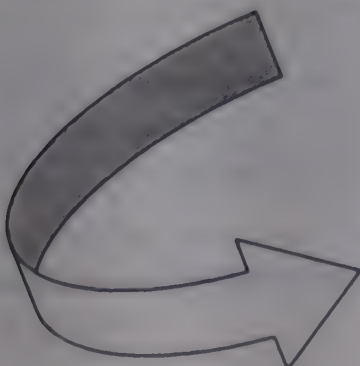
For sometime now...

At MALAR we have been trying to use the savings programme to launch a health campaign, a women's library movement and start a computer education center.

For our health campaign, we are using the Health Activist Based Child and Women's Health Intervention model developed by CERD and TNSF in Vellore and Ramanathapuram districts, as the starting point. We hope to make the programme even more gender-sensitive and also add in components addressing violence against women.

For starting computer education centers in semi-rural areas, we are interacting with AISECT, Bhopal.

If successful; this will generate employment for women by offering facilities such as Screen-Printing, Desktop Publishing (DTP), Computer and Electronic Goods repair, etc. It can also bring in enough money to sustain a number of our other interventions - in health, counseling, children's education, post-literacy, etc.





There are 6 problems that you should be careful about...

Problem 1

Treasurers who cheat

This is the greatest danger to the organization. Some of the signs that warn us about irregularities by the treasurer are that she...

- Shows a marked reluctance to hold weekly group meetings.
- Gives loans at her discretion to friends or family members without consent or knowledge of group.
- Does not deposit group savings immediately and regularly in the bank.
- Does not submit accounts to the district each month.
- Does not present financial statement to the group.

All the above are signs of a possible misappropriation of group funds by the treasurer and demand immediate attention of the district



In addition to preempting the above, it is also important to make sure that...

- The block coordinator visits the group regularly and that in her absence immediate provisions are made for any other district functionary to follow up the group.
- The group president and secretary are trained to check accounting and handle group meetings.
- The block/district coordinator who detects an irregularity must take the group members into confidence. Sometimes, the district/block functionaries tend to "protect" an errant treasurer, under the belief that she is "one of us" or that the news could scare the group away from the savings programme.

This approach is always bad as the group has to be informed anyway and a delay could turn the problem into a crisis. Early information to the group usually makes the women alert and watchful.



Problem 3

Private chit fund operators - the menace

In some areas private chit fund operators and other fly-by-night dealers organize savings and disappear with people's money. How do we win back people's trust?

- By emphasizing that, their money is in their hands. The bank Account is jointly managed by 3 women from their own village, their own group whom they have selected and whom they trust. Remember to stress that nobody at the block/district level can handle the group Account.
- Ultimately it is the integrity of our coordinators, our democratic and transparent style of functioning, the atmosphere of debate and free speech in our groups, and our

But we must...

- Never develop a culture of financial or organizational dependence on the government. The government is only too willing to co-opt any independent initiative that we struggle to build and sustain.
- Be wary of government officials and bureaucrats who make tall claims of assistance to members during group visits. They almost never keep any of their promises.
- Have a clear understanding of government run/initiated credit cooperative programmes, which are usually, overly bureaucratized, lack flexibility and innovation and die out with the transfer of an official or announcement of a new policy. No question of movement-building here. So if there is an existing govt run credit and savings programme in the village, we go ahead and start our groups.

Problem 2

Coordinators who promise the sky

Sometimes our own coordinators may be guilty of making promises to our group members that the organization has no way of keeping. Loans for building houses, toilets, subsidy loans that do not have to be repaid etc, are some of the baits that our activists may throw at the women.

These rash promises are sometimes made in a context of competition from other SHGs who are able to make extravagant promises because of access to other resources. Remember to never play the game by the rules that others set, particularly when it's a game that you can never win on those terms.

Problem 4

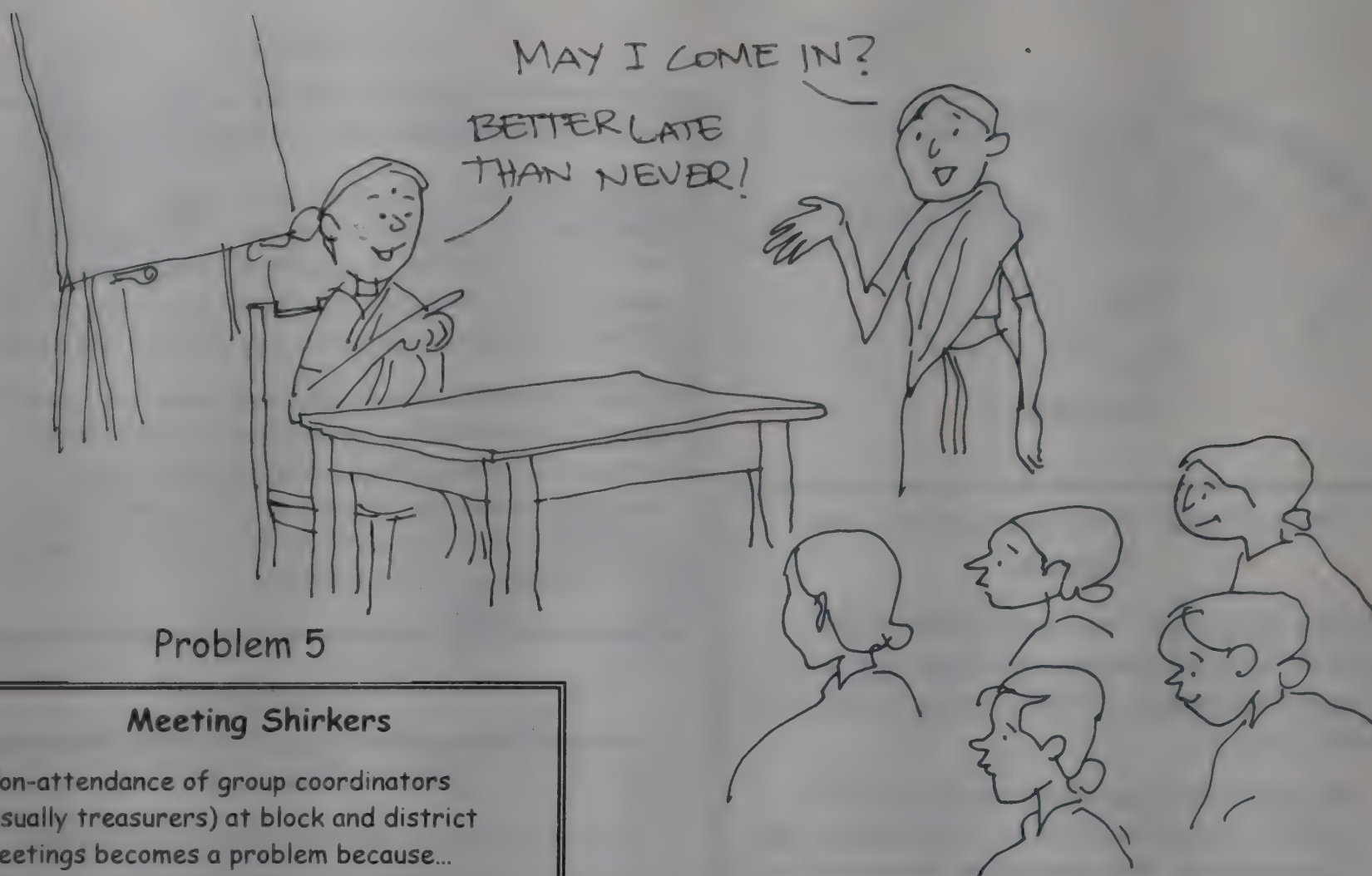
Beware the SARKAR !

What should our relationship be with government agencies, programmes and bureaucrats?

- We can seek government assistance for a specific project, say, enterprise promotion for women.
- We can of course help our women access government welfare schemes to which they are entitled anyway.



When dealing with the government, always negotiate from a position of strength and confidence. And even if a well-intentioned officer (govt/bank) offers to pay an honorarium for our organiser to start savings groups in the village, never accept it.



Problem 5

Meeting Shirkers

Non-attendance of group coordinators (usually treasurers) at block and district meetings becomes a problem because...

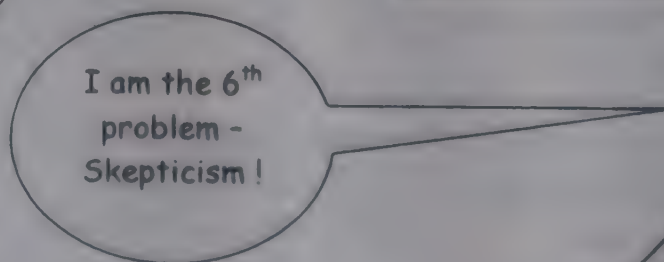
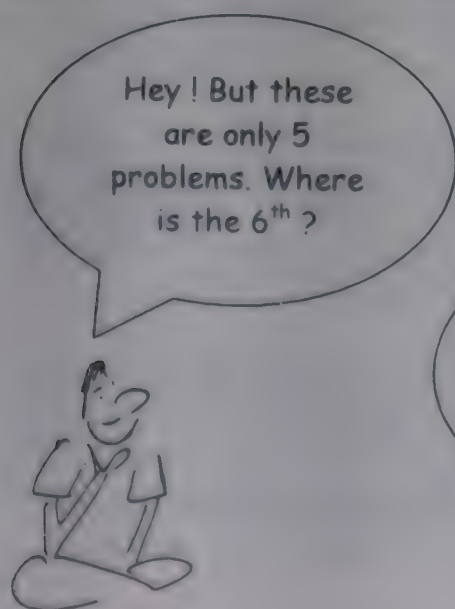
- It affects the vital information transfer from district to the group and feedback conveyance from group to district.
- It isolates the group from the larger organization as the group does not receive the monthly newsletter (distributed to treasurers at the monthly district meeting) and receives no information about any new schemes or programmes that the district may think of introducing.
- Treasurer's absenteeism at block meetings means that group accounts sheets are not regularly checked.

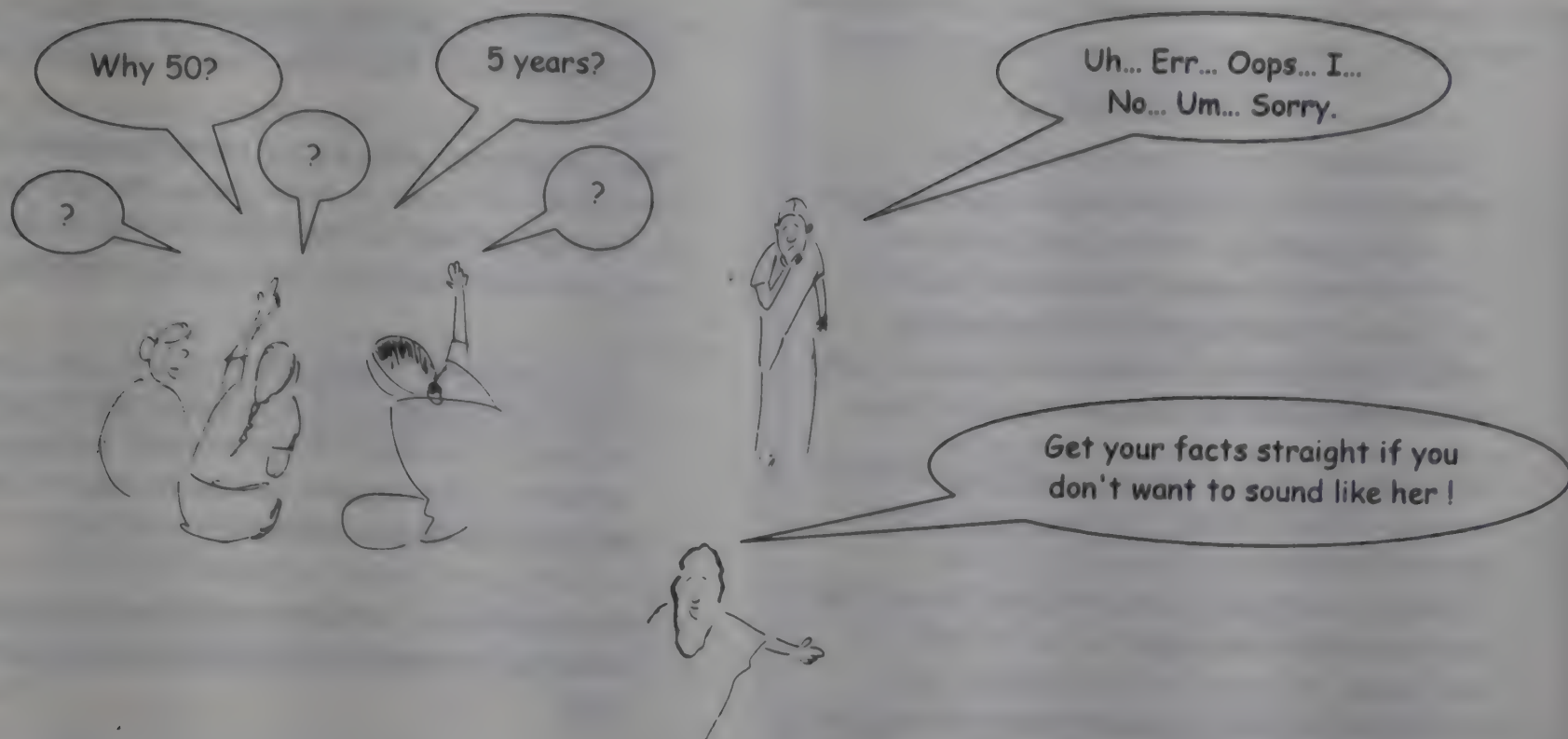
To ensure regular attendance MALAR...

- Makes it compulsory for the treasurer to settle group accounts only at the block meeting. Her incentive is withheld if she bypasses block meetings and tries to submit the accounts directly at the district office.

Insists that any representative from the group can attend the monthly district meeting. If the treasurer is unable to attend for whatever reasons, it is sufficient that the any other group coordinator or even member attends instead.

- Links attendance at these meetings with sanction of district loan. If treasurer has not been regular in attending meetings, the group does not get district loan, no matter how effective its functioning has been otherwise. This is to ensure that the group puts pressure on their representative to attend.





Rs.50 each month to district. Why?

Explain to groups that....

- Monthly reserve fund payment means district loan during times of need.
(MALAR gives district loan to a group in need, 6 months after opening of bank Account if it is functioning well. The maximum amount of district loan we give a group for the first time is Rs.5000. The group is entitled to the next district loan, which would be a bigger amount soon after it finishes repayment of the first loan).

So, here is how we sell the idea.

"6 months of payment of reserve fund to district would mean only Rs.300. But if your group functions well, you could get Rs.5000 as district loan after just 6 months. Now think about it. Just imagine how long it would take you to earn Rs.5000 if you lent Rs.300 for interest."

This always works.

- Also assure the groups that this amount returns to them with 12% interest after 5 years. For example, if the total savings of a group one month is Rs.400. After paying Rs.50 to district, Rs.350 is available for internal lending. But as this Rs.50 is paid out of total group savings, the interest they earn is calculated for Rs.400 (total group Savings) and not Rs.350.
- Inform the women that such a provision for inter-group lending usually impresses banks. In fact, this has been a significant factor in inducing many banks to lend to MALAR.

What to do if someone wants to quit group before 5 years?

- Find out why someone wants to leave. If she is shifting to another place and wants her savings back, that's a perfectly valid reason and the group can take a decision on returning her savings.

MALAR has a large number of young, unmarried girls as group members despite the minimum 5 year membership condition because...

- Many of them continue to save through their mother's house even after going away to their husband's village.
- As MALAR has a district-wide presence, it is quite probable that her husband's village may have a savings group. In that case, her account is just transferred there.
- In some cases, we use the new bride as an organizer to start a group in her husband's village once she has settled down comfortably.
- But if the group considers that the member's wish to leave the group is unreasonable for whatever reason, it can decide to return her savings only after 5 years.

Don't worry about this one.
The group will know what to do.

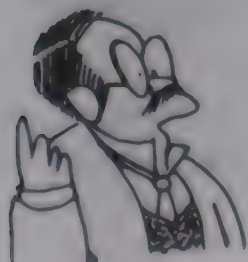
How about group members who won't attend weekly meetings?

- This is usually not a problem as very few members willfully avoid meetings in places where the weekly meetings are regularly conducted. Our experience shows us that women usually anticipate the meeting hour with eagerness because they see it as a chance to escape briefly the drudgery and monotony of their daily lives.
- Sometimes a member may not be able to attend because of inconvenient working hours or an abusive husband who prevents her from attending meetings whenever he is at home (Such instances are by no means rare in MALAR). In such cases, the group decides whether the individual's problem is genuine enough to excuse her irregularity.

However to ensure that this does not become a regular habit with the group...

- Malar coordinators clearly explain at the outset that those who will not attend regular meetings need not become members.
- Non-attendance means no loans at all even if member has been saving regularly.
- The treasurer is strictly instructed to receive group members' savings only during meetings and never at her home or elsewhere.
- Likewise, the loan disbursement and recollection happen only during meetings so that no "absentee" member receives the loan.

But I have a few more questions...



This monthly income-expenditure sheet is so complicated. Can't we use a simpler one?

Well, you're right. MALAR's Accounting sheet does seem rather difficult at first glance. But we must tell you that we settled for this only after we chose and rejected simpler versions. The current form helps...

- To immediately detect any irregularities. The mismatch between the A, B and C columns at the bottom of the sheet is the quickest and surest indicator. (Instructions on how to read the sheet are provided in the appendix)
- To immediately find out exactly how much has been saved and lent out both by the individual and by the group.

Make sure that all full-timers and coordinators are trained to read and check the Accounting sheet. Conduct periodic training for new treasurers and group coordinators to maintain the accounts.

Why is interest paid to office? Why can't we circulate it within the group?

- Clearly explain the distribution of interest income under various heads to groups.
- Emphasize that 70% of interest returns to group (50% after 5 years as interest on savings and 20% as incentive to their treasurer). Make sure that group is informed about incentive payment to treasurer. This is to prevent treasurer from asking group to bear her travel expenses either to district office or to bank.
- Some women may cite the example of other SHGs that don't take interest away from groups. In that case, explain that we are a programme with a difference.

Impress upon our members our achievement of organisational self-reliance and financial autonomy that few others can boast of. We are not subject to the whims and fancies of donors, lending bodies or government. We are our own masters.

Where can we get help for women's SHGs?

- NABARD offers credit assistance to banks, which start and run SHGs according to its directives.
- SIDBI offers credit support for enterprise promotion to NGOs that organise SHGs.
- KVIC (Khadi and Village Industries Commission) has a credit assistance scheme with 30% subsidy for women's groups which can be availed only through banks.
- The state Government's Women's Development Corporation has similar schemes for assistance to enterprise promotion activities of SHGs. However, government interference is likely to be much higher here.
- The RMK (Rashtriya Mahila Kosh), a government sponsored organisation has several schemes for assistance to women's groups. But these are available only after 3 years of starting the programme.



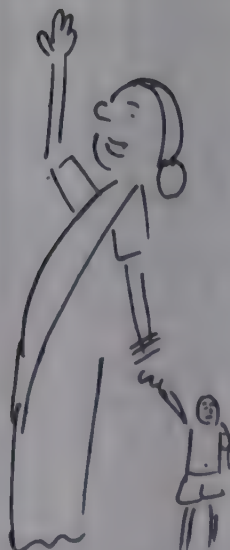
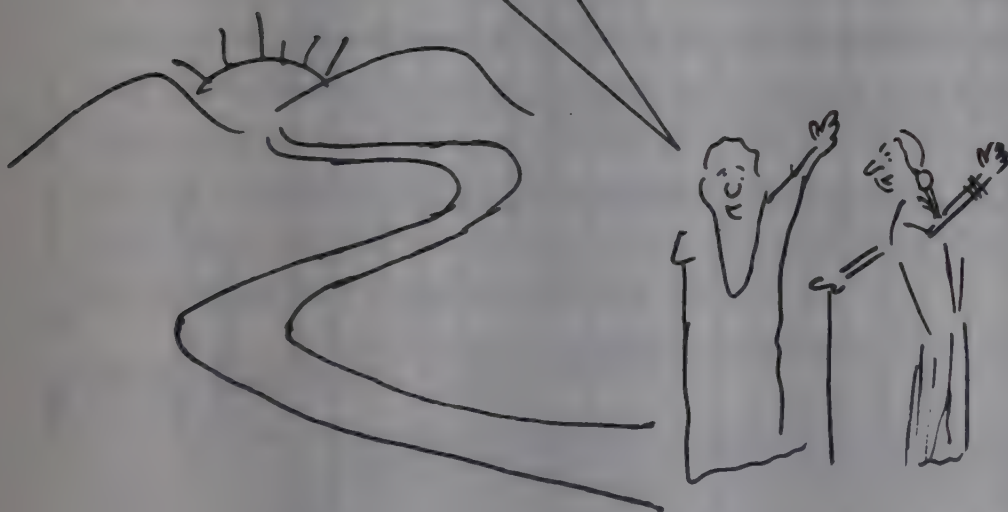
Experience of groups such as those started in Madurai show that wherever a programme that has not yet stabilised has sought loans from outside or under the DWCRA scheme, it has rapidly disintegrated. Even bank loans must be availed only after a year of establishment and consolidation of the programme. No financial assistance from banks or from any government sponsored scheme during the initial phase of establishment.



If there is another NGO or people's movement running a credit co-operative in a village, should we still go ahead and start our groups?

No. If the NGO is doing a good job, try to co-operate with them and see if their groups can carry forward your agenda of building a women's movement. But if they do not share this vision, or limit their size due to organisational compulsions, then one can go ahead and start more groups.

With this, we have come to the end of the road.



Annexure - 1

Malar

Monthly Income Expenditure Report

Date:

Month:

Panchayat:

District Loan Account/

Bank Loan Account

Malar Group No----- Branch Name----- Treasurer's Name----- Block-----

No	Member Name	Atten- dance	Account No	Savings			Total Loan	Inst paid so fa	Inst No	Inst. this month	Loan balance	Interest			Loan amount so far	Inst No	Inst. this month	Balance	Interest							
				So far	This month	Total						So far	This month	Total					So far	This month	Total					
	1			2	3	4	5	6		7	8	9	10	11	12		13	14	15	16	17	18				
1																										
2																										
3																										
4																										
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13																										
14																										
15																										
16																										
17																										
18																										
19																										
20																										
	Total																									
President			Secretary										Treasurer										Block Co-ordinator's signature			

Total Savings (4) :-----
 Total Loan Repaid (6+7) :-----
 Total Interest Paid (11) :-----
 Bank Interest :-----
 Total (A) :-----

Total Amount
 Deposited in Bank :-----
 Total (B) :-----

Total Loan (5) :-----
 Reserve Fund :-----
 Total Interest (11) :-----
 Passbook Balance :-----
 Total (C) :-----

Current month's Interest :-----
 Inst. paid to District :-----
 Interest paid to District :-----
 Total :-----
 A = B = C

Annexure-2

Management of the Group's Accounts

The treasurer of each group maintains and updates the group's Accounts on a weekly/monthly basis. While the report can be maintained on either a weekly or monthly basis depending upon the convenience of the treasurer, it is submitted to the district office on a monthly basis. The Number of the MALAR group, the name of the group, the name of the treasurer, block, date and other necessary details must be filled in.

Savings : (Box No.2,3,4)

The savings so far, this month's savings and total savings of each member must be filled in. The savings so far column is filled by calculating the individual's savings from the day the group was started to the month before the report is submitted. (Box No.2) The savings of the month of the report is prepared is noted in Box No 3. The total of the 2 previous columns is Box No 4. For example, if the savings so far of a member is Rs.300 and this month's savings is Rs.50, the total savings is Rs.350

Loan : (Box No 5)

The total loan amount that each member of the group has so far received is specified here. For example, if a member has taken a Rs.500 as the first loan and has borrowed Rs. 1000 the second time, the total loan of the member should be recorded as Rs.1500. In this manner, the loan taken so far and the current month's loan of each member should be added as box No 5.

Loan instalment entry : (Box No 6,7)

The instalment amount so far paid and the instalment of the current month should be recorded in Box No 6 and No 7 respectively. If a member has repaid an earlier loan and is in the process of repaying the subsequent loan, the loan amount earlier repaid and the amount of the current loan being repaid should be totalled as Box No 6.

For example, let us take the case of a person who has already repaid a loan of Rs.500 and has paid Rs.200 as 2 instalments from the second loan till the previous month. If Rs.100 is paid as the third instalment during the current month, Rs. 700 (Rs.500 + Rs.200) should be recorded as the instalment so far in Box No 6 and Rs. 100 as this month's instalment in Box No 7.

Loan Balance : (Box No 8)

The loan balance is obtained by deducting the total instalment paid from the total amount of loan taken. For example, a person who has taken a loan of Rs.500 and has repaid Rs.100 has a loan balance of Rs.400.

Interest entry : (Box No 9,10,11)

The amount of interest paid on the loan taken by a member upto the previous month is recorded in Box 9. The interest paid during the current month is recorded in Box No 10. The total of the two columns is recorded in box No 11 as the total interest received.

For example, the total interest paid by a person who has taken a loan of Rs.500 is Rs.55. If Rs. 1000 is taken as the second loan by the same person during the previous month, the interest paid this month along with the first instalment is Rs.20. In this case, Rs.55 is recorded as the interest paid so far in Box No 9, Rs, 20 is recorded as the interest this month in Box No 10 and Rs. 75 (55 + 20) as the total interest in Box No 11. If the group has availed a district loan, the Accounts can be maintained in the same manner.

[illegible]

Annexure-4

MALAR

Registration No. 65/95

(A Savings-thrift movement for the economic amelioration of the families of poor women)

Membership Form

MALAR Group No :
Member's No :
Name :
Age :
Monthly Income :
Nominee :
Relationship with Nominee :
Occupation :
Educational status :
Family Income :
Family Members : Male: Female :

I give my consent to becoming a member of Mahalir Association for literacy, Awareness and Rights. I guarantee that I will actively participate in the weekly savings and other activities of MALAR and abide by the rules of MALAR.

Place: Date: Signature:

Annexure-5

MALAR

Loan Document (Front Side)

Loan No: MALAR Group:
Block: Rs.:
Date:

I (Name)..... (Name of husband/father) member of MALAR (Branch), have borrowed a sum of Rs. only, from the MALAR small savings scheme for the economic betterment of my family. I shall abide by the loan regulations and repay my loan in equal instalments of Rs. over a period of months at 2% monthly rate of interest. If I fail to repay regularly I promise to pay the 3% interest rate charged on late payment along with the instalment. If I do not repay the loan, the amount of default can be taken from my savings, my property can be taken as compensation and legal action can be taken against me.

Name:
Address:
Savings Account No:

Stamp

Signature

Annexure - 6

Model Loan Document (Back side)

Name:

Loan No:

Date	Loan details	Loan Amount		Instalment Paid		Balance		Interest Details	Interest paid		Total	
	Loan received	xxx	xx									
	1st instalment	xxx	xx					1-month				
	2-instalment	xxx	xx					2-month				
	3-instalment	xxx	xx					3-month				
	4-instalment	xxx	xx					4-month				
	5-instalment	xxx	xx					5-month				
	6-instalment	xxx	xx					6-month				
	7-instalment	xxx	xx					7-month				
	8-instalment	xxx	xx					8-month				
	9-instalment	xxx	xx					9-month				
	10-instalment	xxx	xx					10-month				
	Total											

Malar _____ Branch

Date of completion of loan repayment :

President

Secretary

Treasurer

Annexure-7

MALAR By-Laws

1. Name of the Organisation: Mahalir Association for Literacy Awareness and Rights (MALAR)
2. Address: 15A, Parvathavarthini street,
Nagercoil - 629001,
Kanyakumari Dist.
3. Established: 1-7-1995
4. Office of the organisation is situated within the jurisdiction of the Kanyakumari Register of Societies.
5. Working time: 10 A.M to 5 P.M. All Sundays and Govt. holidays are holidays for the society.

Objects of the Association

1. To implement self-employment schemes.
2. To work for the development and progress of the rural people.
3. To promote better relationship among its members.
4. To improve the health of rural mothers and children.
5. To promote rural women's education.
6. To help the handicapped people.
7. To promote the welfare of weaker section.
8. To improve the general awareness of the poor through the promotion of libraries.
9. To create opportunities for training to produce and market products through self-help groups.
10. To develop the talents of women.
11. To provide education to pre-school children.
12. To give training to use scientific techniques in the day to day life of the people.
13. To help channelise government schemes for the poor.
14. To implement watershed and Panchayat development programmes.
15. To establish Computer education centres for Women & Children in rural areas.
16. To use loan and donations to meet the expenditure of the association or its associates.
17. To promote a small savings scheme.
18. The society will not receive foreign aid.
19. In accordance with the objectives, the Association will form action plan to promote the welfare of its members.
20. The Secretary is empowered to deal with all legal matters of the Association.
21. The President is empowered to issue orders regarding functioning of the Association.
22. (1) Any female, above the age of 18, interested in the objectives of the Association, can become the member of it.
(2) Each member has to pay a membership fee of Rs.10 and an annual subscription of Rs.10 every year.
23. Members who lose their membership for any reason can appeal with reasons to the association to renew the membership. Decision of the general body relating to the said request is final.

24. Members paying regular annual subscription are eligible to participate in the meetings to vote and get benefits from the Association.
25. (i) All projects of the Association are to be approved and implemented by the Executive Committee.
- (ii) Projects can be formulated and implemented by the Executive Committee. Such projects must be submitted and approval must be obtained from the General Body.
26. (1) Including the President, Secretary and Treasurer, the Executive Committee should have 20 members. Tenure of office for them is 3 years.
- (2) Day to day functioning is entrusted to the Executive Committee. Decision and projects of the general body would be implemented by the Executive Committee.
27. The following documents should be submitted to the Registrar of Societies on the due date.
1. List of members.
 2. Changes in the members of the Executive Committee.
 3. Special resolution and Audited statement.
 4. Income and Expenditure statement.
 5. List of Executive Committee members.
 6. Changes made in the bylaws.

The above statements must be submitted to the Registrar of societies by the Secretary on due dates.

28. Bylaws, Income and Expenditure and Audit statement can be given to the members and on a payment of Rs. 1 for each item.

29. Members violating the bylaws of the Association and working against the interest of the Association can be investigated by the Executive Committee which reports to the General body. The decision of the General Body is final.

30. (1) All incomes of the Association should be deposited in a bank approved by the Executive Committee.
- (2) The fund of the Association may be deposited in Government Bonds and in Nationalised Banks with the approval of the General Body. Amount in excess of the project amount may be invested as stated above.
- (3) Salary should not be paid to members from the fund of the Association. TA and Honorarium may be paid.
31. (1) If a member dies or becomes incapable of working, an amount can be set apart from the Association either to the heirs of the deceased person or for the invalid.
- (2) The above stated amount (1) is to be paid to the eligible persons on the recommendation of the Executive Committee.
32. To implement all the projects of the Association Executive Committee has the power to appoint Employees and fix their salaries, terms and conditions of appointment. Further Executive Committee has the power to select an honorary consultant.
33. (A) 1) Every year the General Body meeting must be conducted in the month of June. Special General Body meeting may be conducted whenever the need arises.
- 2) All members of the General Body must be informed 21 days in advance about the General Body meeting date, time and need.
- 3) Notice may be given through local delivery post, circular or through advertisement in daily newspapers.

- 4) Notice must be affixed on the office Notice Board.
 - (B) 1) The President, Secretary and Treasurer of all branches will be the General Body members of the society.
 - 2) If the members of the General Body request in writing to conduct a special General Body meeting, the Special General Body meeting will be conducted within thirty days of their letter.
 - 3) To convene a Special General Body meeting notice must to be sent to the members as per the By-law 32(A) 1,2,3,4.
 - 4) As stated above if it fails to convene a special General Body meeting, members requesting to convene a meeting have the right to conduct a General Body meeting.
 - 5) Special General Body meeting may be convened when the Association is led on wrong lines or when there is need to change the bylaws.
34. (A) 1) Special resolutions can be passed in the General Body meeting if it has the support of one third of its members
- 2) To conduct meeting as stated above (1), (2) notice should be sent as per By-law 32(A) 2,3,4.
 - 3) Copies of the Special resolution passed as per the By-law should be sent to Registrar of the societies.

(B) Functions of the General Body

- 1) Approving income and expenditure.
- 2) Formulations of Policies and Schemes.
- 3) Undertaking disciplinary action.
- 4) Taking decisions on other plans and problems.
- 5) Quorum for the General Body meeting is 51%

(C) Functions of the Executive Committee

- 1) Once a month the Executive Committee will meet and take decisions regarding the affairs of the management. If needed special meeting can be convened.
 - 2) Projects of the General Body are to be implemented by the Executive Committee.
 - 3) Quorum for the Executive Committee is 51%.
35. All registers, account books of the Association can be seen by the members after getting permission from the Secretary during the working hours of the office.
36. 1) Financial year of the Association is from 1st April to 31st March.
- 2) Within the stipulated time all accounts must be settled, balance sheet prepared and audited by a Chartered Accountant and sent to the Registrar of Societies.
37. Assets, debentures if any should be Registered with the registrar of societies.

38 Duties and Responsibilities of the office bearers

A) President

- 1) To preside over meetings. When it is inconvenient, she will request the Secretary to preside over the meeting.
- 2) Attend all matters with the co-operation of other office bearers and in accordance with the By-law of the Association.
- 3) With the help of the Secretary, President is to convene all the meetings.
- 4) To work for the welfare of the Association without self-interest.

B) Secretary

- 1) To take all steps to convene all meetings.
- 2) To sign all correspondence.
- 3) To execute the projects of the Association and co-operate with the president.

- 4) Secretary is responsible for keeping all records and other office matters of the Association.

C) Treasurer

- 1) To look after all income and expenditure of the association
- 2) To procure and preserve receipts and vouchers for accounts of the Association.
- 3) To co-operate with other office bearers of the association for the welfare of the association.

39. Association Fund

- 1) Membership fee of the members, donation from members and others, Govt. grants or aid loans from Banks would constitute the fund of the Association.
- 2) An amount not exceeding Rs.1000/- can be kept by the treasurer to meet the necessary expenses. Excess amount is to be deposited in the name of the Association in a Nationalised bank selected by the Executive Committee.
- 3) Amount needed for the society can be withdrawn from the book by the Secretary and the Treasurers jointly signing and on the basis of the Executive Committee's decision.
- 4) To audit the account once in three months a sub committee can be appointed by the Executive Committee. As a witness for the stated audit the president can sign on the account books.

40. Society must maintain the following registers

- 1) Register for the subscribers
- 2) Income and expenditure General Ledger.
- 3) Monthly Expenditure Register
- 4) General Ledger
- 5) Minute Book
- 6) Despatch Register
- 7) Local delivery Register

41. In the By-law if anything is left out, act according to the rules of the Tamilnadu Register Act.

The above stated is the true copy of MALAR - Mahalir Association for Literacy Awareness and Rights.

We the undersigned on 17-7-95 confirm that the above stated is the true copy of the By-law of "MALAR- Mahalir Association for Literacy Awareness and Rights".

Annexure - 8

RBI CIRCULAR REGARDING SELF HELP GROUPS

Reserve Bank of India

Rural Planning & Credit Department, CENTRAL OFFICE

Central office building, 13th floor, Mumbai-400001.

RPCD.NO.PL.BC.120/04.09.22/95-98, April 2, 1998.

ALL SCHEDULED COMMERCIAL BANKS [Excluding RRBs]

Dear Sir,

Sub: Linking of Self Help Groups with Banks

Working group on NGOs and SHGs

Recommendation - Follow up

1. Please refer to our circular letter RPCD.No.Plan.BC.13/PL-09-22/90-91 dated 24 July 1991 advising banks to actively participate in the pilot project launched by NABARD for linking 500 SHGs with banks. Pursuant to this, NABARD vide its circular letter No.NB.DPD.FS.4631/92-A/91-92 dated 26 February 1992 issued detailed operational guidelines to banks for implementation of the project. Beginning from 255 SHGs linked with banks during 1992-93, it reached 620 SHGs in 1993-94 and 2122 SHGs by 1994-95 and upto 31 December 1995, around 2700 SHGs were linked and the amount of bank loan disbursed to SHGs was about Rs.332 lakhs. In all, 26 commercial banks and 46 RRBs have participated in the linkage programme. The quick studies conducted by NABARD in a few states to assess the impact of the linkage project have brought out encouraging and positive features like increase in loan volume of the SHGs, definite shift in the loaning pattern of the members from non-income generating activities to production activities, nearly 100% recovery performance, significant reduction in the transaction costs for both the banks and the borrowers, etc., besides leading to gradual increase in the income level of the SHG members. Another significant features observed in the linkage project is that about 85% of the groups linked with the banks are formed exclusively by women.
2. With a view to studying the functioning of SHGs and NGOs for expanding their activities and deepening their role in the rural sector, the Governor, RBI had in November 1994 constituted a Working Group comprising eminent NGO functionaries, academicians, consultants and bankers under the Chairmanship of Shri S.K.Kalia, Managing Director, NABARD. The members of the Working Group visited a number of NGOs and SHGs, held widespread discussions and studied several issues concerning SHGs and NGOs through a sample of 171 SHGs, 49 NGOs and 97 bank branches. The Working Group has since submitted its report.
3. **Important Recommendations:** The Working Group is of the view that the linking of SHGs with the banks is a cost effective, transparent and flexible approach to improve the accessibility of credit from the formal banking system to the unreached rural poor. It is expected to offer the much needed solution to the twin problems being faced by the banks, viz. recovery of loans in the rural areas and the high transaction cost in dealing with small borrowers at frequent intervals. The Group, therefore, felt that the thrust of the policy should be to encourage the formation of SHGs and their linking with the banks and in this regard, the banks have a major

role to play. The Group has recommended inter alia, that the banks treat the linkage programme as a business opportunity for reaching the rural poor and making it a part of their co-operate strategy, the programme be made a part of Service Area Approach and LBR reporting system and regular training curriculum of banks, lending of banks to SHGs being made a separate segment under the priority sector, introducing review and monitoring of SHGs linkage programme, etc. Simultaneously, the Group has suggested for capacity building of NGOs, training of their staff, etc. The recommendations of the Working Group have since been examined and generally accepted by us.

4. **Follow-up Action - SHG Lending as Normal Lending Activity** - As the efficacy of the SHGs as an effective mode for rural savings mobilisation and credit delivery to the poor has been demonstrated in the pilot phase and since the linkage of targeted 500 SHGs linkage already been achieved, it has been decided to extend the SHGs linkage programme beyond the pilot phase as a normal business activity of banks to improve the coverage of the rural poor by the banking sector. According, the banks may consider lending to SHGs as part of their mainstream credit operations both at policy and implementation level. They may include SHG linkage in their corporate strategy/plan, training curriculum of their officers and staff and implement it as a regular business activity and monitor and review it periodically.
5. In order to enable the banks to report their SHG lending without difficulty on account of divergent purposes in ground level disbursements from SHGs to members, it has been decided to incorporate an additional segment under the priority sector advances. Accordingly, the banks should report their lending to SHGs and/ or to NGOs for onlending to SHGs/members of SHGs/discrete individuals or small groups which are in the process of forming inot SHGs under the new segment, viz. 'Advances to SHGs' irrespective of the purposes for which the members of SHGs have been disbursed loans. Lending to SHGs should be included by the banks as part of their lending to the weaker sections.
6. The scope for lending to SHGs in a particular area may depend upon the extent of poverty, presence and availability of support from NGOs and above all upon the need and desire among the poor to form groups for mutual benefit. Banks may identify branches having potential for linkage and provide necessary support services to such branches and include SHG lending within their Service Area Plan. Keeping in view the potential realisability, the Service Area Branches may fix their own programme for lending to SHGs as in the case of other activities under the priority sector. With a view to enabling the bank branches to get the benefit of catalytic services of NGOs, the names of NGOs dealing with the SHGs will be indicated on a block-wise basis in the "Background Paper for Service Area Credit Plans". The Service Area branch managers may have constant dialogue and rapport with the NGOs and SHGs of the area for effecting linkage. If a NGO/SHG feels more confident and assured to deal with a particular branch other than Service Area branch and the particular branch is willing to finance, such a NGO/SHG may at its discretion deal with a branch other than the Service Area branch. The lending to SHGs by banks should be included in the LBR reporting system and reviewed, to start with at SLBC level. However, it has to be borne in mind that the mind SHG linkage is a credit innovation and not a targeted credit programme.
7. **Opening of Savings Bank A/c** - In terms of RBI circular letter DBOD.No.BC.63/13.01.88/92-93 dated 4 January, 1993, banks were allowed to open savings bank accounts of SHGs financed under pilot project. In order to facilitate

promotion of SHGs and their eventual credit linkage with banks, it has been decided that SHGs which are engaged in promoting the savings habit among their members, may be allowed to open savings bank accounts. It is clarified that SHGs need not necessarily have already availed of credit from the banks before opening of savings bank accounts.

8. **Margin and Security Norms** - As per operational guidelines of NABARD, SHGs are sanctioned savings linked loans by the banks (varying from a saving to loan ratio of 1:1 to 1:4). Experience has shown that group dynamics and peer pressure have brought in excellent recovery from members of the SHGs. The flexibility allowed to the banks in respect of margin, security norms, etc. under the pilot project vide RBI circular letter dated 24 July 1991 referred to above will continue to be operational under the linkage programme even beyond the pilot phase.
9. NABARD would continue to provide refinance support to the banks under the linkage project. The present interest rate structure stipulated by NABARD at different levels under the SHG - Bank Linkage Programme is as under:

NABARD to Banks (Refinance)	- 6.5%
Banks to SHG	- 12.0%
Banks to NGOs/Vas	- 10.5%
NGO / VAs to SHGs	- 12.0%
SHG to Members	- by SHG

exclusive of Interest Tax wherever applicable.

Banks may charge interest on the finance provided to the Groups / NGOs for on-lending to SHGs the rates indicated by the National Bank from time to time. Further, the Groups will be free to decide on the interest rate to be charged to its members provided the rate of interest is not excessive.

10. **Documentation** - Keeping in view the nature of lending and status of borrowers, the banks may prescribe simple documentation for lending to SHGs. The Working Group has suggested a set of documents for use of banks while lending to SHGs directly or through NGOs to SHGs. The documents are inter-se agreement to be executed by the members of the SHGs, a loan application to be submitted by SHGs, model loan agreement, sponsorship letter from NGO/SHPI, specimen loan application by NGO/SHPI for loan assistance for onlending to SHGs and loan agreement for lending to NGOs. The same are enclosed as Annexure I to VI. The banks may adopt these documents in consultation with their Law Department.
11. **Presence of defaulters in SHGs** - The defaults by a few members of SHGs and/or their family members to the finance bank should not ordinarily come in the way of financing SHGs per se by banks provided the SHG is not in default to it. However, the bank loan may not be utilised by the SHG for financing a defaulter member to the bank.
12. **Training** - An important step in the Linkage Programme would be the training of the field level officials and sensitisation of the controlling and other senior officials of the bank. After the launching of the Pilot Project, NABARD has conducted a series of training programmes for the field level officials or the banks and also their trainers. Programmes on SHG-Bank Linkage are also being conducted at CAB, Pune. Considering the need and magnitude of training requirements of bank officers/ staff both at field level and controlling office level, the banks may initiate suitable steps to internalize the SHGs linkage project and organize exclusive short duration

programmes for the field level functionaries. In addition, suitable awareness/ sensitization programmes may be conducted for their middle level controlling officers as well as senior officers. In the matter of training of their faculty, the training facilities available at Bankers Institute of Rural Development (BIRD), Lucknow could be utilized.

13. **Monitoring and Review of SHG Lending** - Having regard to the emerging potential of the SHGs and the related non-familiarity of the bank branches with lending to SHGs, banks may have to closely monitor the progress regularly at various levels. Further the progress of the programme may be reviewed by the banks at regular intervals. A progress report may be send to both RBI (RPCD) and NABARD (DPD-NFS), Mumbai in the format as per Annexure VII, on a half yearly basis as on 30 September and 31 March each year so as to reach within 30 days of the half year to which the report relates.
 14. **Operational Guidelines** - The Working Group had endorsed the operational guidelines issued by NABARD to banks under the pilot project the their circular letter NO.NB.DPD.FS.4631/92-92 dated 26 February 1992. Further modifications/amendments as and when required will be advised to banks.
 15. We shall be glad if necessary action is initiated by the banks to step up their credit to the unreached rural poor by extensively utilising the SHG route. A copy of the instructions issued to your branches may please be forwarded to NABARD and us. Please acknowledge receipt of this circular letter to the Chief General Manager, Rural Planning and Credit Department, Reserve Bank of India, Central Office, Mumbai and the Chief General Manger, National Bank for Agriculture and Rural Development, DPD-NFS, Head Office, Mumbai.
-

Annexure - 9

General Terms and Conditions Applicable to RMK Lendings

1. (a) Procedure for Drawal of Refinance/ Finance
 - (i) The Financing Institution (FI) shall take effective steps to commence its lending operations as per sanction of the RMK and make first drawal not later than one month from the date of sanction, unless the time limit is extended by the RMK.
 - (ii) If the lending operations are not so commenced as stated above, RMK may not provide any finance for the scheme in question on the terms and conditions stipulated therein and will be at liberty to cancel the sanction or vary any of the terms and conditions including the quantum of finance sanctioned.
- (b) Finance will be available both in advance as also against loans already disbursed by the FI provided such loans conform to the parameters of the RMK. No finance will be admissible to the FI against loans recovered or fallen due at the time of applying for disbursement.
- (c) Application for drawal of finance shall be made by the FI in the prescribed form indicating clearly the purposes, the estimated number of borrowers (eligible as per RMK's parameters) and the aggregate amount required to be disbursed under each purpose.

2. **Refund of Unutilised Amount of Loans** - In the event of the FI not utilising finance as per the time schedule indicated in the sanction letter, RMK is entitled to require the NGO to refund the unutilised amount within three days after the last date indicated in the sanction letter for completing disbursement. Any delay in repayment/refund of such amounts will carry penal interest at 2% per annum.

3. **Purpose of Loans** - Loans will be given mostly for income generation or for acquiring productive assets. The maximum amount of loan per borrower under RMK will be Rs.4,000 for Short Term (up to 15 months) and Rs.6,000 for Medium Term (2-5 years). Grant of consumption loan will be supported to a very limited extent as per sanction of the RMK.

4. **Unit Cost**

(a) The financial outlay for each item of investment will be worked out on the basis of the average unit cost in respect of each item of investment as given in NGOs application and these will not be exceeding the NABARD norms for unit cost, if any, for that area.

(b) Depending on the individual requirement for loans, deviations from the average unit cost could be +10 to 15 percent provided there is no change in the total financial assistance and physical units sanctioned under the scheme. It is expected that savings on account of advances lower than the average unit cost would take care of advances made to certain individuals in excess of average unit cost as indicated above.

(c) In case the loan desired to be availed is lower than the average unit cost, the NGO/SHG should ensure that the beneficiary has sufficient resources to meet the balance and the work executed/ machinery purchased/ animals or units acquired are according to the specifications approved by NGO/SHG and that they are of required quality.

5. **Margin**

(a) FI will be advanced 90% of the total cost of the scheme approved by the RMK

(b) Margin from ultimate borrower will be 10%

(c) Share capital held in the co-operative society, thrift/ compulsory saving of borrower will be reckoned towards margin money.

6. **Rate of Interest**

(a) The rate of interest for finance sanctioned by RMK will be such as may be determined by the Kosh from time to time. At present the rate of interest which RMK may charge is:

(i) for ST loans 8% p.a

(ii) for MT loans 8% p.a

(b) The interest shall be payable by NGO/FI to the Kosh every quarter on 30th June, 30th September, 31st December and 31st March each year or on such other dates as are agreed to by the Kosh.

(c) The FI/SHG shall charge interest not exceeding 12% p.a. on reduced balance to the (a) SHGs or (b) ultimate borrowers financed directly by the NGO/FI

7. **Repayment Period**

(a) The loan(s) issued under the sanctions of RMK will be repaid by the FI within the repayment period (including grace period) indicated in the sanction letter.

(b) Each and every drawal under the Short Term credit limit will be repayable in four quarterly instalments after providing gestation period if any, in the first instalment. M.T. loans will be repayable to RMK in half-yearly /quarterly instalments and due dates will more or less coincide with the due dates fixed by the FI for the ultimate borrowers; penal interest of 2% will be levied on delayed payments up to one month. In the event of default persisting beyond one month, penal interest will be charged at 8%.

(c) Six days' grace period will be admissible for payment of any instalment to the RMK.

8. **Security** - The loan sanctioned NGO/SHG may be secured by such securities/guarantees as may be prescribed by the RMK in the sanction letter.

9. **Insurance** - Adequate insurance cover may be obtained in respect of all assets acquired by the beneficiaries out of MT loan advanced out of Kosh funds.

10. **Borrowing Power** - The FI shall at the time of drawing loans furnish to the RMK a certificate to the effect that the drawal is within its borrowing power and is duly approved by its managing committee.

11. **Books of Accounts/ Inspections**

(a) The FI shall maintain separate accounts in respect of the schemes approved by the RMK.

(b) The FI shall submit its annual audited accounts to RMK within four months after close of its accounting year together with the statement of lendings and recoveries during the year.

(c) Any other information required by the RMK will also have to be submitted by way of periodical returns of otherwise as and when requested.

12. **Documentation** - Before any drawals are made/allowed, the FI will have to execute the documents including a guarantee letter in the prescribed format.

13. **Education and Training Beneficiaries** - The FI shall spend amount equal to one percent of the total loans taken from RMK on the training and education of the concerned staff for better results or for skill upgradation of borrowers relating to the economic activity undertaken by them for which the contribution will be made by RMK on a yearly basis.

RMK HAS THE FOLLOWING SCHEMES

1. Loan assistance under the Main scheme

2. Revolving Fund scheme

3. Scheme for providing financial support for development and stabilisation of SHGs.

4. Scheme for Marketing Finance.

5. Nodal Agency Scheme.

6. Umbrella Scheme.

7. Resource NGO Scheme.

8. Death Relief and Rehabilitation Scheme. Etc.

[Source: Booklet on Features of the Main and Sub-Schemes

RASHTRIYA MAHILA KOSH, DEPT. OF WOMEN AND CHILD DEVELOPMENT

Ministry of Human Resources development, Government of India

4 Deen Dayal Upadhyaya Marg, NEW DELHI-110002.

SCHEMES AVAILABLE FROM NABARD

1. NABARD provides 100% refinance to Banks when they lend to SHGs at concessional rate of Interest.
2. NABARD provides training support for starting SHGs.
3. NABARD's Rural Entrepreneurship Development Programmes [REDPs] helps to provide training to rural women to start Micro-enterprises.
4. NABARD's scheme to support Mother Units and Common Service Centres is very useful for starting group enterprises on a cluster approach.
5. NABARD has a scheme for bulk lending to NGOs for on-lending to Rural Micro and household enterprises. This scheme is most suited for groups.
6. Assistance to Rural Women In Non-farm Development [ARWIND] is another scheme suited for us.

SCHEMES AVAILABLE FROM SIDBI

SIDBI has recently launched a separate division for Micro-Credit. SIDBI provides bulk lending to NGOs who are atleast three years old for lending to micro-enterprises. It also provides training and infra structure support as grant from GOI.

OTHER SCHEMES

DWCRA, DWCUA and group lending under IRDP are useful schemes if implemented through strong SHGs.

Annexure - 10

USEFUL READING MATERIALS

1. Where women are leaders - SEWA experience
2. Speaking out - women's economic empowerment in south Asia - Vistaar publications New Delhi - 48
3. Opportunities for rural women under NABARD'S refinance schemes - NABARD
4. SIDBI DEVELOPMENT REPORT - SIDBI
5. Rural Employment Generation Programme of KVIC - Margin money scheme - KVIC
6. Main features of the Main and Sub-Schemes - Rashtriya Mahila Kosh
7. Various study reports of the experiences of BANGLADESH GRAMEEN, BRAC etc.
8. Accountability in development organisations - SAGE Publications

